Cash Plus is a trading account that allows you to trade in global markets at low brokerage rates. This Account also has a stand-by margin facility of S$50,000 if you choose to increase your purchasing power by leveraging on your cash and/or investment products in your Account.

If you wish to use the stand-by margin facility for financing of your purchases, please refer to Sections 2 and 3 to find out more about the financing quantum and margin requirements.

Please contact your Trading Representative if you require any clarification or assistance on the mechanics of margin trading or request for a higher credit limit.

1. **Brokerage rates based on value of assets in custody**

The brokerage rates are determined based on the previous end of day’s settled asset value (AUC) held in the Account under the custody of Phillip Securities Pte Ltd (PSPL). These rates are applicable only for trades placed online. The rate is as low as US$6.88 flat.

<table>
<thead>
<tr>
<th>Asset Value Market</th>
<th>Starter S$0 – 29,999</th>
<th>Premier S$30,000 – 249,999</th>
<th>Privileged S$250,000 and above</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>0.12% min S$10</td>
<td>0.10% min S$10</td>
<td>0.08% min S$8</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>0.15% min HK$80</td>
<td>0.12% min HK$60</td>
<td>0.08% min HK$50</td>
</tr>
<tr>
<td>China</td>
<td>0.15% min CNH80</td>
<td>0.12% min CNH60</td>
<td>0.08% min CNH50</td>
</tr>
<tr>
<td>Australia</td>
<td>0.18% min A$25</td>
<td>0.15% min A$20</td>
<td>0.12% min A$15</td>
</tr>
<tr>
<td>UK</td>
<td>0.18% min GBP20</td>
<td>0.15% min GBP15</td>
<td>0.12% min GBP10</td>
</tr>
<tr>
<td>Germany</td>
<td>0.18% min EUR20</td>
<td>0.15% min EUR12</td>
<td>0.12% min EUR8</td>
</tr>
<tr>
<td>Japan</td>
<td>0.18% min JPY1500</td>
<td>0.15% min JPY1200</td>
<td>0.12% min JPY1000</td>
</tr>
<tr>
<td>Malaysia</td>
<td>0.18% min RM50</td>
<td>0.15% min RM40</td>
<td>0.12% min RM30</td>
</tr>
</tbody>
</table>

2. **Financing Quantum and Margin Factor**

<table>
<thead>
<tr>
<th>Grade of Investment Product (Financing Quantum)</th>
<th>IM Factor</th>
<th>MM Factor</th>
<th>FM Factor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grade A (~70% financing)</td>
<td>28.57%</td>
<td>23.08%</td>
<td>16.67%</td>
</tr>
<tr>
<td>Grade B (50% financing)</td>
<td>50.00%</td>
<td>46.15%</td>
<td>41.67%</td>
</tr>
<tr>
<td>Grade C (no financing)</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

- **Initial Margin (IM):** The required margin to OPEN a new position
- **Maintenance Margin (MM):** The required margin to HOLD the position
- **Force-selling Margin (FM):** The minimum margin requirement that prevents immediate force-selling

\[
\text{IM} / \text{MM} / \text{FM Requirement} = \text{Sum} \left( \text{Quantity} \times \text{Market Price of Individual Investment Product} \times \text{relevant Margin Factor} \right)
\]

3. **Margin Requirements**

<table>
<thead>
<tr>
<th>Equity Balance</th>
<th>= Cash Balance (ledger) + Total Market Value of Investment Portfolio</th>
</tr>
</thead>
</table>

(A) **Available Cash:**

\[
\text{Available Cash (Initial Margin Excess)} = \text{Equity Balance} – \text{IM Requirement}
\]

(B) **Maximum Available to Purchase:** Available Cash x Financing Multiplier (refer to table below)
Example 1 – Determine how much you can invest with financing:

Client deposits $10,000 cash and wishes to purchase Grade ‘A’ shares.

Maximum Available to Purchase = $10,000 x 3.5 (refer to Financing Multiplier Table under Cash/A shares) = $35,000

Example 2 – Determine your available cash after investment (case of no margin call):

Client deposits $10,000 cash and $5,000 Grade ‘A’ shares, and purchases $25,000 worth of Grade ‘B’ shares. Assume market prices remain unchanged.

\[
\begin{align*}
\text{Cash Balance} & = \$10,000 - \$25,000 = -\$15,000 \\
\text{Equity Balance} & = -\$15,000 + [\$5,000 + \$25,000] = \$15,000 \\
\text{Available Cash} & = \text{Equity Balance} - \text{IM Requirement} \\
& = \$15,000 - [\$5,000 x 28.57\% + \$25,000 x 50\%] \\
& = 1,071.50
\end{align*}
\]

(B) Margin Call (MC):

Margin Call (MM Deficit) = MM Requirement – Equity Balance

MM Deficit is triggered when there is a margin deficit. Client is required to satisfy margin call within 3 market days including the date of the notice.

Example 3 - Case of margin call:

Client deposits $10,000 cash and $5,000 Grade ‘A’ shares, and purchases $25,000 worth of Grade ‘B’ shares. Assume market value of Grade B shares drops to $19,500.

\[
\begin{align*}
\text{Cash Balance} & = \$10,000 - \$25,000 = -\$15,000 \\
\text{Equity Balance} & = -\$15,000 + [\$5,000 + \$19,500] = \$9,500 \\
\text{MM Deficit} & = \{[\$5,000 x 23.08\% + \$19,500 x 46.15\%] - \$9,500\} = 653.25
\end{align*}
\]

4. Custody of Assets

All assets deposited or transacted through the Cash Plus Account will be held in custody with PSPL except for purchases funded using CPF/SRS moneys.

Corporate actions, such as dividends and rights subscriptions, will be processed in the Cash Plus Account. Accounts with multi-currency facility will receive cash dividends in the declared currency unless otherwise determined by the issuer/PSPL.

5. Excess Funds Management Facility

Any surplus funds in the Cash Plus Account will be deposited in a bank account held by PSPL in trust for clients. Credit interest, if any, will be paid on the full amount of the excess funds in the Account when it exceeds the stipulated threshold as follows:

\[
\begin{align*}
\text{Amount} & \quad \text{Interest on Credit Balance}\% \\
> \$50,000 & \quad 0.10\% \\
> \$50,000 & \quad 0.15\% \\
> \$50,000 & \quad 0.10\% \\
> \$50,000 & \quad 0.05\%
\end{align*}
\]

With effect from 15 Apr 2020, negative interest will be imposed on the following currency:

<table>
<thead>
<tr>
<th>Currency</th>
<th>Interest on Debit Balance%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGD</td>
<td>6.00% p.a.</td>
</tr>
<tr>
<td>USD</td>
<td>7.00% p.a.</td>
</tr>
<tr>
<td>HKD</td>
<td>7.00% p.a.</td>
</tr>
<tr>
<td>JPY</td>
<td>4.20% p.a.</td>
</tr>
<tr>
<td>AUD</td>
<td>8.75% p.a.</td>
</tr>
<tr>
<td>GBP</td>
<td>4.50% p.a.</td>
</tr>
<tr>
<td>EUR</td>
<td>7.00% p.a.</td>
</tr>
<tr>
<td>CAD</td>
<td>7.00% p.a.</td>
</tr>
<tr>
<td>CNY</td>
<td>8.25% p.a.</td>
</tr>
<tr>
<td>MYR</td>
<td>No debit balance allowed</td>
</tr>
</tbody>
</table>

\[1\] PSPL reserves the right to change the rates without prior notice.

Alternatively, you may wish to opt-in for the Excess Funds Management facility to enjoy potentially greater returns on any surplus funds (credit balance) parked in your account. By opting in, your excess SGD and USD funds will be invested on a discretionary basis in Money Market Funds. Please refer to the section on Excess Funds Management under Important Notice for more information.

6. Multi-Currency Facility

As an added advantage, you also have the option of maintaining foreign currency balances (USD, HKD, MYR, JPY, AUD, GBP, EUR, CNY and CAD) in your Cash Plus Account for ease of trading and efficient management of your foreign currency denominated investments by opting in for multi-currency facility. With this facility, you may choose to settle your purchases or sales either in the traded currency or in SGD. However, your Account must have sufficient funds in the settlement currency by SETTLEMENT DATE to avoid incurring interest on any debit balances. Debit interest starts to accrue from settlement date until debit balance diminishes to zero.

<table>
<thead>
<tr>
<th>Currency</th>
<th>Interest on Debit Balance%</th>
</tr>
</thead>
<tbody>
<tr>
<td>SGD</td>
<td>6.00% p.a.</td>
</tr>
<tr>
<td>USD</td>
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</tr>
<tr>
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<td>4.50% p.a.</td>
</tr>
<tr>
<td>EUR</td>
<td>7.00% p.a.</td>
</tr>
<tr>
<td>CAD</td>
<td>7.00% p.a.</td>
</tr>
<tr>
<td>CNY</td>
<td>8.25% p.a.</td>
</tr>
<tr>
<td>MYR</td>
<td>No debit balance allowed</td>
</tr>
</tbody>
</table>

\[2\] These rates are non-negotiable and PSPL reserves the right to change the rates without prior notice.
7. **Trading**

Trading can be done via POEMS 2.0, POEMS Mobile as well as through your Trading Representative.

8. **Settlement of Trades**

Accounts with multi-currency facility may settle foreign currency denominated trades in the traded currency or in SGD.

For non-multi-currency Accounts, auto conversion to SGD will be done on the settlement date based on the prevailing exchange rate.

**Settlement of Purchase Contracts:**

Purchase contracts will be settled on the contract due date.

**Settlement of Sale Contracts:**

Settlement of sale contracts will be carried out upon fulfilment of delivery obligations.

**Note:** Cash Plus Account does not support contra arrangement.

**Mandatory conversion:**

Account not enrolled for item 9, auto-conversion will take place in the event the account ledger in any currency runs into deficit arising from the transactions tabulated below:

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Fees &amp; Charges</td>
<td>Any currency</td>
</tr>
<tr>
<td>2) Rights/ Warrant Subscriptions</td>
<td>MYR Ledger only</td>
</tr>
<tr>
<td>3) Any</td>
<td></td>
</tr>
</tbody>
</table>

9. **Auto Currency Conversion to offset Debit Balance(s)**

From 26 October 2020, all new accounts will be auto-enrolled with this feature. An auto currency conversion process will be performed to offset any currency in debit balance by utilizing currencies in credit balance according to currency hierarchy set up in our system.

Note: The hierarchy of currencies to be utilized for offsetting in descending order: SGD, USD, HKD, CNY, JPY, AUD, GBP, EUR, CAD, & MYR

10. **Online Transaction Records and Statement of Account**

You are able to view your transaction history and account details up to **12 months** year-to-date through POEMS.

A detailed monthly statement of Account will also be provided to you at the end of the month as long as there are transactions in that month.

11. **How to fund the Account**

We accept various payment methods. For more details, please refer to www.poems.com.sg/payment.

12. **Withdrawal of Excess Funds**

You can transfer your available funds in your Cash Plus Account to your bank account anytime by submitting a withdrawal request through POEMS.

To withdraw, simply log in to POEMS and click on ACCT MGMT > STOCKS > Online forms > Withdrawal Form. Alternatively, you can approach your trading representative to submit the request on your behalf.

All payments to you will be made as per the Account name in our records. No cash withdrawals are allowed.

13. **Schedule of Charges**

<table>
<thead>
<tr>
<th>Charges based on AUC³</th>
<th>Type of Service</th>
<th>($S equivalent)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>&lt;30,000</td>
<td>30,000 – 249,999</td>
</tr>
<tr>
<td>Account Maintenance Fee⁴</td>
<td>S$15 per quarter</td>
<td></td>
</tr>
</tbody>
</table>

¹PSPL reserves the right to change the AUC range without notice.
²Charges will be based on the average asset value of the quarter.
³Note: All fees and charges are subject to GST.

**IMPORTANT NOTICE**

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 Conditions Governing Phillip Securities Accounts. In making your application for a Margin account, we will be assuming that you agree to this. The Conditions Governing Phillip Securities Accounts can be obtained from Phillip Securities Pte Ltd (PSPL) or downloaded from www.poems.com.sg.

2. You should ensure that you have sufficient shares to deliver against your sale contracts to avoid a buying-in and penalty by SGX.

3. For online foreign currency-denominated share transactions, you should carefully specify the settlement currency at the point of submitting a trade. After which, you should ensure that there are sufficient funds to meet the margin requirement in the settlement currency to avoid any force-selling by PSPL. In the event that you have funds in another currency in equivalent value to your deficit in the settlement currency, your shares will not be force-sold but debit balance interest will start to accrue on the settlement currency until you order a currency conversion from the
other currency to offset the debit balance in full. You can do a currency conversion through POEMS or by giving instructions to your trading representative. PSPL will not do the currency conversion on your behalf without any given instruction from you unless they are items stated under Auto-conversion of Debit Balance.

4. PSPL reserves the right to revise the published rates and charges from time to time without prior notice.

5. For account closure with credit balance of S$1.00 and below, an administrative charge of up to S$1.07 (inclusive of GST) will be levied.

6. For payment via Telegraphic Transfer (TT), you are strongly advised to state clearly your PSPL Trading Account Number and Account Name in your TT payment instruction.

In the event that PSPL is unable to identify the account for the amount to be credited, PSPL may reject the amount transmitted after reasonable endeavours have been made to trace the source of the deposit. Any bank charges incurred will be borne by you.

PSPL will not be held responsible for any loss, charge or damage arising from the rejected funds or delay in crediting the amount into the account.

7. Please contact your Trading Representative if you need any clarification or assistance on trading matters.

**Excess Funds Management**

When you opt for the excess funds management facility, you authorize Phillip Securities Pte Ltd to invest your surplus funds on a discretionary basis in Money Market Funds ("MMF").

Currently, clients’ excess SGD funds are placed in Phillip Money Market Fund and excess USD funds are invested in the Phillip USD Money Market Fund (Phillip US Dollar Money Market Fund). Please visit [www.poems.com.sg/unittrust](http://www.poems.com.sg/unittrust) under Tools >> Fund Finder for more information on these two funds or approach your Trading Representative or customer service staff for the relevant factsheet.

The minimum amount of placement in MMF each time per client is S$100. However, when the MMF unit balance falls below 50 upon redemption, balance units 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. Similarly, excess cash arising from sales proceeds will be designated for placement in MMF 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. The PhillipCapital group of companies, and in particular PSPL itself, together with their respective directors and employees may take or have taken interests or positions in the MMF which PSPL in providing the excess fund management services with respect your surplus funds, has exercised its discretion to invest such of your surplus funds in. Such companies, including PSPL (but through another business unit other than its fund management department), may also perform or seek to perform marketing/distribution and other investment services for or in relation to the MMF for which services distinct fees are received. Specifically, PSPL may for such marketing/distribution services rendered receive marketing/distribution fees (including trailer fees) from the MMF originators/fund managers which it will receive and appropriate for its own benefit. Such MMF may include those MMF that PSPL in providing to you its fund management services with respect to your surplus funds invest/subscribe in for you.

1. The Money Market Funds are not intended for US citizens.

This information sheet is provided to you for general information only and does not constitute a recommendation, an offer or solicitation to buy or sell the investment product mentioned. It does not have any regard to your specific investment objectives, financial situation or 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 your acting based on this information.

Investments are subject to investment risks. The risk of loss in leveraged 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. 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 should also be aware of the commissions and finance costs involved in trading leveraged products. This product 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.

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 do so by way of a separate engagement. You are advised to read the Conditions Governing Phillip Securities Accounts and Risk Disclosure Statement (available online at [www.poems.com.sg](http://www.poems.com.sg)).

Effective from 26 October 2020