PHILLIP NOVA CONTRACT FOR DIFFERENCE INFORMATION SHEET

1. What is a Contract for Difference (CFD)?

Contract for Difference (CFD)
CFD is an agreement between two parties to settle the difference between the opening and closing prices of the contract multiplied by the number of units of the underlying asset specified in the CFD. CFDs allow customers to participate in the price movement of an underlying product without actually owning the asset, such as shares, indices, commodities, currencies and treasuries.

Phillip Nova offers the following types of CFDs:
- Global Indices CFD
- Commodities CFD
- Share CFD
- Cryptocurrencies CFD

How is the CFD quoted?
CFD prices are derived from prices of the reference instrument quoted in the underlying exchange, market or liquidity provider. Therefore, CFD prices will only be available if the underlying exchange or market is open or if there is sufficient liquidity.

2. Key Features of CFD

Leverage
CFD contracts are leveraged to enable trading on margin. The amount of initial margin required to place a new trade is only a small percentage of the total contract value. As leveraging provides customers with the ability to utilise a small amount of capital to control a large amount of assets, customers need to be aware of the risk of leverage trading.

Short Position
Holding a short position or "shorting" refers to selling the contract first and buying it back at a later date. This allows customers to take a position on the underlying asset without actually having to buy and sell the underlying asset itself. Holding short positions offers flexibility in trading opportunities, even when markets face a decline.

Customers can short CFD on single shares and not be subjected to the T+2 days' contra period or the need to engage in SBL[1]. However, the risk of shares recall remains.

Please note that for Cryptocurrencies CFDs, you will be able to go both long and/or short on Bitcoin and Ethereum. However, you will only be able to go long on Ripple and Litecoin. Sell side orders for Ripple and Litecoin are accepted for liquidation only.[2]

Phillip Nova reserves the right to limit your ability to go long or short for any CFD instruments.

[1] Securities Borrowing and Lending (SBL) facility allows customers to short the market by borrowing shares.
[2] Please refer to our full contract specifications for the most updated details

Hedged Position[3]
Holding opposite (i.e. long and short) positions of the same CFD contract simultaneously without closing out each other is referred to as a "Hedge". The ability to hold hedged positions offers opportunities to take advantage of differences in directional view across the short and long term.

No Expiry Date
CFD contracts have no expiry dates. This means that you can keep CFD positions open as long as you wish, subject to the meeting of margin requirements, and there is no need to manually roll over the positions. It is important to note that CFD prices can be impacted when underlying contracts roll over in the futures market, as the underlying asset tends to experience greater market volatility during a rollover.

CFD Holding Cost
At the end of each trading day, open positions in your account will be subjected to a charge called a 'holding cost'. The holding cost can be positive or negative depending on the direction of your position and the applicable holding rate. The applicable holding rate differs across various underlying assets, and is a function of:

- Financing costs (based on benchmark rates)
- Interest Rate differentials
- Cost of Carry adjustments
- Dividends adjustments
- Mark ups

Closing Positions
For a CFD position, you can only close the position by entering a trade of the same contract on the opposite side.

On MT5, CFD contracts can be closed individually or closed by a hedged position, as illustrated in the example below:

a. Close by Hedged Positions
The investor went long (buy) 2 DBS-SGX CFD at SGD19.16. Subsequently, he went short (sold) 1 DBS-SGX CFD at SGD20.55. However, both positions remain open until the investor specifies to close the short 1 position against the long 2 positions. The result is an outstanding 1 DBS-SGX CFD (Long) position.

b. Individually closed out positions
In a similar fashion, another investor went long (buy) 2 DBS-SGX CFD at SGD19.16. He/she specifically selects the position to *close* by selling 1 DBS-SGX CFD. The result is still an outstanding 1 DBS-SGX CFD (Long) position.

3. Key Risks of CFD Trading

Trading of CFDs and other investment products, which are leveraged, can carry a high level of risk, and is more suitable for customers with medium to high risk profile. It is important you understand the possible risks involved in trading CFDs, which include but are not limited to the following:

[3] This is only applicable to MT5.

Leverage Risk
As CFDs are traded on margin, gains and losses can be amplified. A relatively small market movement will have a proportionately larger impact on your equity balance. If the market moves against your position or if margin levels are increased, you may be called upon to pay additional funds on short notice in order to maintain your position (also known as a margin call[4]).

Liquidity Risk and Risk of Trading Suspension
CFDs are traded on an over-the-counter (OTC) basis, which are subject to the availability of buy and sell prices and volume. CFD traders may experience insufficient depth of market liquidity and a wide bid-offer spread when the underlying markets are experiencing volatility, off peak trading or are closed. As such, Phillip Nova does not offer CFD trading when the exchange for the underlying market is closed. As slippages can be expected when liquidity is thin, working orders may not be filled at the exact specified price. Hence, it is important that customers seek clarification and gain understanding on the nature of contracts they intend to trade.

Additionally, there may be instances where CFD trading is temporarily suspended for reasons such as:

- Severe market volatility in the underlying market where spreads are unfavourable
- Underlying market hits the limit up, or limit down, bands and trading is suspended
- Trading halts on the underlying, as announced by the associated exchange
- Negative pricing experienced on the underlying asset

Even where trading is suspended on the MT5 trading platform, liquidation may still happen to customer's CFD positions should the Equity Balance fall below the stipulated *force-selling* margin level (also known as the Close Out Level).

Counterparty Risk
CFD is an over-the-counter (OTC) leveraged product traded on an off-exchange basis. However, CFD trading is regulated by the Monetary Authority of Singapore (MAS), and is maintained in high integrity in accordance to MAS regulations. The firm with which customers conduct their transactions (which may be Phillip Nova, or another firm, if Phillip Nova acts as your broker to effect a transaction with such firm) may be acting as counterparty to the transaction.

Additional Risks
Due to pricing errors from market makers, CFDs are subjected to having a stale price traded off the current fair values. In a "price discrepancy" situation, Phillip Nova reserves the right to amend the executed price in CFD to the price deemed to be fair by liquidity providers.

Market Volatility
Financial markets may fluctuate rapidly and the prices of our products will reflect this. Gapping is a risk that arises as a result of market volatility. Gapping occurs when the prices of our products suddenly shift from one price to another, as a consequence of market volatility. You may not be able to place an order or the platform may not be able to execute an order between the two price levels. This could result in stop orders being executed at unfavourable prices, either higher or lower than you may have anticipated, depending on the direction of your trade. Customers can limit the risk and impact of market volatility by applying an order boundary (i.e. stop-limit orders).

[4] Please note that margin call is not applicable to MT5. MT5 will auto liquidate the positions when equity balance falls below the stipulated force-selling margin level (also known as the Close-out Level)

Risk of Shares Recall
To enable the customer to take a short CFD position, there may be a need to borrow the shares of the underlying to conduct a short hedge. Lenders of the shares have the right to recall anytime. In the event of a recall, the shares 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 Phillip Nova force closing[5] your short Share CFD positions immediately or at a short notice. In addition, where working short Share CFD orders have been accepted, Phillip Nova will be entitled to disregard or cancel those orders without liability as a result of such action.

Regulatory changes prohibiting short selling and share borrowing in specific shares or in the entire underlying market may also result in the broker force closing customers' short positions in CFD.

Weekend Gap Risk on Cryptocurrencies
Major cryptocurrencies trade 24 hours including weekends. However, Cryptocurrency CFDs offered by Phillip Nova are not tradable on weekends and have specific trading hours. This may result in wide price gaps when the market opens after weekends that experienced market volatility.

4. Cryptocurrencies CFDs and Blockchain

As opposed to traditional fiat currencies, cryptocurrencies are a form of digital currency secured by cryptography, allowing individuals to transmit them in a virtual setting, anytime and anywhere. Cryptocurrencies are decentralised with no overarching regulatory body.

The Bitcoin, launched in 2009, was the first cryptocurrency. Other examples of cryptocurrencies are Ethereum, Litecoin, Ripple and etc.

A blockchain is a database that functions as a decentralised virtual ledger, existing on a network of many computers. Data is arranged chronologically in blocks and each block's metadata contains information linking it to the previous one. As such, once data has been stored, any modifications or deletions will be almost impossible.

5. What are hard forks in cryptocurrencies and how are they handled

A fork is when software is modified or updated creating a divergence in the cryptocurrency's blockchain. When software is updated to be backward compatible, it is called a soft fork. The updated software can still work and interact with older versions.

A hard fork on the other hand, fundamentally changes the software, making it not backward compatible. Blocks running the new software will not be recognized and work with users running the older software, essentially splitting a single cryptocurrency into two.

In the event of a hard fork of a cryptocurrency, we will generally follow the blockchain that has majority consensus of users and apply it to the basis for its price. Phillip Nova reserves the right to determine the cryptocurrency unit which has the majority consensus behind it.

[5] This is uncommon, buy may happen if the underlying Stock becomes hard to borrow due to corporate events such as take overs and other merger and acquisition activities.

If the hard fork results in a viable second cryptocurrency, we reserve the right to create an equivalent position on your account or make a cash adjustment to represent this value. This is done at our discretion and we will have no obligation to not do so.
If, within a reasonable time frame, the second cryptocurrency does not become tradable, we may void positions that was previously created at zero value on your account.
Hard forks may cause substantial volatility in prices and Phillip Nova reserves the right, in its sole and absolute discretion to suspend trading in accordance to our Terms and Conditions and/or Customer Trading Agreement.

6. Key Risks of Cryptocurrencies CFD Trading

There are a number of risks involved in trading CFDs. Customers are advised to understand the nature and risks involved in margin and CFD trading before trading.

The price of our cryptocurrency CFDs are made available to us by the exchanges and liquidity providers who we trade with. Please note that Phillip Nova reserves the right, in its sole and absolute discretion to suspend trading in accordance to our Terms and Conditions and/or Customer Trading Agreement.

In addition to the key risks of trading CFDs stated in Section 3 above, trading CFDs on cryptocurrencies entail additional risks that include but are not limited to:

Lack of legislative protection by MAS
Cryptocurrencies are not legal tender and are not issued by any government nor backed by any asset or issuer. Cryptocurrencies are currently not subjected to any regulatory requirements or supervisory oversight by the Monetary Authority of Singapore (MAS). Hence, the safeguards afforded under MAS' regulatory framework will not apply to consumers dealing with unregulated products, such as CFDs on Cryptocurrencies.

Extreme volatility
Cryptocurrencies have little or no intrinsic value, making them hard to value and extremely volatile. Being highly speculative, investing in cryptocurrencies entails high risks as prices are prone to sharp, sudden swings as a result of unanticipated events or changes in market sentiments primarily due to the lack of price transparency.

Liquidity risks and price slippages
Cryptocurrencies is a relatively new asset class and regulations, or a lack thereof, may have an impact on liquidity which in turn may result in unwanted price slippages. This is exacerbated in times of market volatility.

Possible failure of cryptocurrency exchanges may also increase illiquidity.

Cybersecurity risks
Being a virtual, decentralised currency with no overarching regulatory body, cryptocurrency intermediaries are vulnerable to security breaches and market manipulations. Technical glitches on cryptocurrency intermediaries may happen as well. Such scenarios may cause disruption to trading and may cause substantial volatility in prices.

Hard forks

A hard fork changes the software, making it not backward compatible. Blocks running the new software will not be recognised and work with users running the older software, essentially splitting a single cryptocurrency into two. Hard forks may cause substantial volatility in prices.

Phillip Nova will endeavour to inform you of any hard forks but it is ultimately your responsibility to be aware of them.

7. Margin Requirements[6]

The transacting of CFD contracts is subjected at all times to initial margin and maintenance margin requirements established by Phillip Nova. Phillip Nova reserves the right to amend the margin requirements without notice to you. The margin requirements[7] for different CFD contracts established may be (and likely will be) higher than the corresponding minimum requirements under Applicable Laws or applicable rules/directives/regulations/requirements of relevant correspondent brokers or applicable Market(s). By trading on margin, you are able to leverage on the full contract value. Margin required for CFDs are in US Dollars.

Force-liquidation Margin (FM)[8]

Phillip Nova reserves the right to liquidate your CFD positions without prior notice when the Equity Balance falls below the stipulated *force-selling* margin level (also known as the Close-out Level). For Phillip MT5 system, you will be receiving a notification should your account be in margin deficit. You are required to reduce your position(s) or top up your funds immediately to bring your margin level back above initial margin level requirements. It is your responsibility to monitor the equity balance in your account to avoid the risk of your account meeting the Close-out Level which will result in the automatic liquidation of your position(s) at market prices.

8. Settlement Currency

All CFD contracts are settled in US Dollar. Should the CFD's referenced underlying asset be denominated in currencies other than the US Dollar, the trading platform will automatically convert any realised profits or losses, holding costs, commissions, and (if any) derived cash adjustments from resolutions on corporate actions into US Dollar, based on the prevailing market conversion rate. Should the profits or losses be *unrealised*, the customer's statement will show balances in these various currencies for indication only.

[6] For margin requirements of respective products, log in to https://myaccount.phillipnova.com.sg or contact our Client Service Desk at (65) 6538 0500 for enquiry.

[7] Phillip nova reserves the right to amend initial margin requirements from time to time. Log in to https://myaccount.phillipnova.com.sg for updates or contact our Client Service Desk at (65) 6538 0500 for enquiry.

[8] This is applicable to MT5 only.

9. Illustration of CFD Profit and Loss Calculation

Please see the examples below to understand how profit and loss of a CFD contract is calculated.

Profit and Loss (Commodity)
You *bought* 1 CFD (contract size of 100 barrels) of UKOIL at USD70 per barrel, and

a) sold 1 UKOIL CFD at USD73 subsequently. You will gain a profit of USD300. This can be calculated as (USD73 – USD70) x 100 barrels = USD300

b) sold 1 UKOIL CFD at USD65 subsequently. You will incur a loss of USD500. This can be calculated as (USD65 – USD70) x 100 barrels = - USD500

Profit and Loss (Indices)
You *sold* 1 CFD (contract size of 1 index share) of US30 at USD25,000, and

a) bought 1 US30 CFD at USD24,000 subsequently. You will gain a profit of USD1,000. This can be calculated as (USD25,000 – USD24,000) x 1 CFD = USD1,000

b) bought 1 US30 CFD at USD25,100. You will incur a loss of USD100. This can be calculated as (USD25,000 – USD25,100) x 1 CFD = - USD100

Profit and Loss (Shares)
You *bought* 1 CFD (contract size of 1000 shares) of DBS-SGX at SGD19.16, and

a) sold 1 DBS-SGX CFD at SGD20.55 subsequently. You will gain a profit of SGD1390[9]. This can be calculated as (SGD20.55 – SGD19.16) x 1000 shares = SGD1390

b) sold 1 DBS-SGX CFD at SGD18.17 subsequently. You will incur a loss of SGD990. This can be calculated as (SGD18.17 – SGD19.16) x 1000 shares = - SGD990

c) in the worst case scenario, the price of DBS-SGX CFD falls to zero and the underlying stock is delisted. You will incur a loss of the full contract value of SGD19,160. This can be calculated as (SGD19.16 – SGD0) x 1000 shares = - SGD19,160. You may also be liable for additional charges, costs and fees incurred.

Profit and Loss (Cryptocurrencies)
You *sold* 1 CFD (contract size of 1 coin) of BITCOIN at USD11,000, and

a) bought 1 BITCOIN CFD at USD10,000 subsequently. You will gain a profit of USD1,000. This can be calculated as (USD11,000 – USD10,000) x 1 CFD = USD1,000

b) bought 1 BITCOIN CFD at USD11,500. You will incur a loss of USD500. This can be calculated as (USD11,000 – USD11,500) x 1 CFD = - USD500

[9] Please note that profit and losses derived in currencies other than US dollars will be auto-converted into US dollars upon realization on the MT5 platform. The prevailing market conversion rates will apply.

Holding Costs

If you hold your positions in CFDs to the next trading day, there is a holding cost which is levied as a daily accumulated charge. This charge is reflected under the "Swap" field in your trading platform. Do note that for *Buy* positions, the applicable holding cost would be displayed as "*Long Swap*" rate, and for *Sell* positions, the applicable holding cost would be "*Short Swap*" rate.

As the holding cost is a derivation of financing/carry costs, interest rate differentials and dividends adjustment, there may be instances where further adjustments are required to be levied upon the positions carried over from the previous trading day. These adjustments will be imposed as cash balance adjustments that could either debit the account, or credit more equity into the account.

Example of CFD Holding Cost Calculation

With swap rate for UKOIL and US30 as follows:

Symbol	Long Swap (in points)	Short Swap (in points)	Pricing Precision (decimal for 1 point)
UKOIL	22.88	-61.68	0.001
US30	-237.39	-120.21	0.01

You *bought* 1 CFD of UKOIL (contract size of 100 barrels) and you held this position to the next day. The holding cost for carrying this *buy* position will be calculated as:

- Holding Value = (Applicable swap rate in points x Pricing Precision) x Contract Size
  = (22.88 x 0.001) x 100 barrels = USD2.29 (receive)

Do note that positive number in this above example means that you will receive USD2.29.

You *sold* 1 CFD of US30 (contract size of 1 index share) and you held this position to the next day. The holding cost for carrying this *sell* position will be calculated as:

- Holding Value = (Applicable swap rate in points x Pricing Precision) x Contract Size
  = (-120.21 x 0.01) x 1 CFD = - USD1.20 (pay)

Do note that negative number in this above example means that you will pay USD1.20.

Basis Adjustment

Basis refers to the difference between the price of the spot asset and its underlying futures.

Price basis adjustment occurs when the opening price of a spot CFD contract is adjusted according to the price fluctuations on the calendar spreads of its underlying futures. This is to allow a smoother price continuation as spot CFD prices take reference from its related underlying futures contracts and futures have fixed expiry dates.

The adjusted basis on the price of the CFD contract will be debited and credited to your account based on the net positions held overnight. The purpose of this is to negate the impact on any trading profit and loss that arise due to the price adjustment of the CFD contract.

Should the price basis adjustment be positive, long positions will be debited the corresponding value as the inflation on price should not be considered as an actual trading profit. Conversely, short positions will be credited.

Should the price basis adjustment be negative, long positions will be credited the corresponding value as the fall in price should not be considered as an actual trading loss. Conversely, short positions will be debited.

Basis adjustment applies to selected CFDs only and can occur at different frequencies. Please refer to the contract specifications for more details.

Please note that basis adjustment for certain contracts (especially commodities CFD) could be wider than usual on rollover dates. Basis adjustment for commodities related products will occur on the following day of initiating your position.

Example of basis adjustment on UKOIL
The price basis adjustment of UKOIL is $0.01 per barrel. In other words, the price of UKOIL was adjusted $0.01 higher the next day at the open.

1) You bought 100 barrels of UKOIL and held them overnight.

   - Basis adjustment amount = (price basis adjustment) x (contract size)
     = USD 0.01 x 100 barrels = USD 1 (pay)

     You will pay USD 1 to negate any trading profit due to the price basis adjustment.

2) You sold 100 barrels of UKOIL and held them overnight.

   - Basis adjustment amount = (price basis adjustment) x (contract size)
     = USD 0.01 x 100 barrels = USD 1 (receive)

     You will receive USD 1 to negate any trading loss due to the price basis adjustment.

10. Impact of Corporate Actions

A corporate action is an event that brings about a material change to the underlying stock, or an event that is initiated by a firm that has an impact on its shareholders. Dividends, rights issue, warrants, bonus issue, stock splits, stock delisting or suspension are corporate actions that apply to Share CFD.

Dividends
A dividend adjustment will apply to CFD on Equities for positions held to the ex-dividend date of its underlying shares. Where applicable, this adjustment will be calculated based on the weight of the stock in the index. For single shares, local taxation[10] rules applicable are accounted for.

[10] Withholding tax is a levy deducted from dividends in most underlying markets. The withholding tax deduction does not apply to short positions. Tax relief applicable will be dependent on the entitlement of Phillip nova, and not tax treaty that Individuals may enjoy. Example, for CFD on US Shares, the withholding tax rate for all customers will be 30% whether they are based in Singapore or otherwise.

Dividend adjustments are presented as a component of the aforementioned holding costs. The amount applicable is computed, along with financing charges, into the "swap" field of the MT5 trading platform.

Example of Dividends inclusion in Holding Rate

For example, the underlying share of DBS Group Holdings announced a final dividend of 33 cents per share. On ex-dividend date, customers holding DBS-SGX share CFD will incur a holding rate presented as follows. A positive rate indicates that customer will receive, while a negative rate indicates that customer will pay.

Symbol	Currency	Pricing Precision	1 day Financing Charges for Long Position	1 day Financing Charges for Short Position	Dividends for Long Position	Dividends for Short Position	Swap Long in Points	Swap Short in Points
DBS-SGX	SGD	0.01	-0.0017	-0.0009	0.33	-0.33	32.83	-33.09

You *bought* 1 CFD (contract size of 1000 shares) of DBS-SGX, and you held this position to the next day, which is the ex-dividend date. The holding cost for carrying this *buy* position will be calculated as:

- Holding Value = (Applicable swap rate in points x Pricing Precision) x Contract Size
  = (32.83 x 0.01) x 1000 share = SGD328.3 (receive)

You *sold* 1 CFD (contract size of 1000 shares) of DBS-SGX, and you held this position to the next day, which is the ex-dividend date. The holding cost for carrying this *sell* position will be calculated as:

- Holding Value = (Applicable swap rate in points x Pricing Precision) x Contract Size
  = (-33.09 x 0.01) x 1000 share = - SGD330.9 (pay)

Dividend adjustments are denominated in the respective instrument's settlement currencies[11].

<u>Rights Issue</u>

Trading of rights, when issued, is not facilitated. Customers, who are eligible for the rights[12], will not be able to sell or exercise the rights. Appropriate cash adjustments will apply when the underlying shares undergo rights issue, only for customers with long positions. To do this, rights received will automatically be subscribed on ex-right date, on condition that the rights are In-The-Money[13]. Phillip Nova will at its sole and absolute discretion trade out the new positions from the rights subscription

[11] Please note that profit and losses derived in currencies other than US dollars will be auto-converted into US dollars upon realization on the MT5 platform. The prevailing market conversion rates will apply.

[12] This includes renounceable rights and non-renounceable rights.

[13] In-The-Money is an expression that refers to where current market price is above the subscription price (also known as strike price) of the right, and the right possesses intrinsic value. Conversely, where the right is Out-of-the-Money or At-The-Money, the right will be allowed to expire worthless.

upon receiving the underlying shares when the market is open, or where liquidity in the market is permissible, whichever is deemed more appropriate by Phillip Nova in light of the circumstances.

The amount of cash adjustment applicable will be as follows:

- Cash adjustment amount = (Price where new positions sold – Subscription Price) x No. of shares held x US Dollar conversion rate

Customers who do not wish to be subjected to this discretionary action should liquidate their positions before ex-right date. Short positions will have to be liquidated one day before ex-right date. Customer shall indemnify Phillip Nova and Phillip Nova shall not be liable for any loss arising from or in connection with Phillip Nova' or the Customer's action or inaction in relation to such corporate action resolution.

Warrants

Trading of warrants, when issued, is not facilitated. Customers will not be able to sell or exercise the warrants. Appropriate cash adjustments will apply when the underlying shares undergo warrants issue (i.e. warrants rights issue or bonus warrants), only for customers with long positions. This process is similar to the rights issue procedure.

Customers who do not wish to be subjected to this discretionary action should liquidate their positions before ex-warrant date. Short positions will have to be liquidated one day before ex-warrant date. Customer shall indemnify Phillip Nova and Phillip Nova shall not be liable for any losses arising from or in connection with Phillip Nova' or the Customer's action or inaction in relation to such corporate action resolution.

Bonus Issue (Stock Dividend)

There will be no new CFD quantity allocated on exercise date, and no change to the original CFD position. Similar to rights issue, Phillip Nova will at its sole and absolute discretion trade out the new positions from the bonus issue upon receiving the underlying shares when the market is open, or where liquidity in the market is permissible, whichever is deemed more appropriate by Phillip Nova in light of the circumstances. Appropriate cash adjustments will apply where customers holding long positions will receive positive cash adjustments, while customers holding short positions will incur negative cash adjustments.

There is no requirement that short positions will have to be liquidated one day before exercise date. However, customers who do not wish to be subjected to this discretionary action should liquidate their positions before exercise date. Customer shall indemnify Phillip Nova and Phillip Nova shall not be liable for any losses arising from or in connection with Phillip Nova' or the Customer's action or inaction in relation to such corporate action resolution.

Stock Split (Reverse Stock Split)

Stock splits usually take place when the value of a company's stock is getting too high. The share price will fall by a pre-determined percentage and holders will gain the same percentage of shares. To account for this, the current Share CFD position will be closed and re-booked at Zero Profit and Loss. All orders related to the CFD on the underlying Share will be cancelled. The settlement rate and associate margins required will also be adjusted for the stock split.

Example on Share CFD stock split

You *bought* 1 CFD (contract size of 1000 shares) of DBS-SGX at SGD19.16 and DBS Group Holdings announced a stock split of 2 for 1. You held this position to split day date. This means that, for every 1 share you hold, you will be issued 2.

The original buy position of 1 CFD on DBS-SGX at SGD19.16 will be closed at SGD19.16. The new position will be re-booked at Zero Profit and Loss, so you will now hold 2 CFD on DBS-SGX at the reduced price of SGD9.58. Note that the overall contract value remains the same.

Suspension

Whenever a stock suspends, Phillip Nova will conduct an internal review and decide whether it is likely to trade again. If the news surrounding the company is negative, customers with open share CFD on the underlying stock will be notified that the margin requirement may be raised substantially after internal review. There will be no trading allowed for the share CFD during the suspension period. The margin requirement could remain at elevated levels until there is further news in the underlying market.

Delist

As soon as a company announces it is delisting, the stock status will first need to be reviewed by Phillip Nova. For open share CFD positions on a stock that delists, the position will be closed at a level of zero. All orders related to the CFD on the underlying Share will be cancelled. Phillip Nova, on best effort basis, will seek returns to shareholders, a process which may take years. Any return found will be credited back to customer's account.

Other Corporate Actions not considered by Phillip Nova

Notwithstanding the foregoing, Phillip Nova reserves the right to close all open positions and working orders relating to CFDs of 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 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.

11. Placing Orders

Trade orders can be placed using the following methods:

a) Self-execution via trading platform

b) Call-in service: Phillip Nova Dealing Desk at (65) 6536 7200 or through your Account Executive. Applicable administrative charges could apply.

12. Order Filling

All orders are matched based on the bid/offer price of the CFD contract. Investors who want to buy a contract can submit a buy order based on the current offer price, or queue at a specific price. The order would be executed once the instrument’s offer price matches the specified buy price level. The result of the order fill will be dependent on the liquidity at that point in time.

Conversely, a customer can also submit a sell order based on the current bid price, or queue at a specific price. The order would be executed once the instrument’s bid price matches the specified sell price level.

Technically there is no last done price for CFD as it is not exchange traded, and there is no central body to keep track of the last traded price.

OTHER IMPORTANT INFORMATION

1. Funds Transfer Methods

Deposit or Top up[14]

Customers who wish to deposit or top up their Phillip Nova account, they may do so through the following methods:

1) PayNow – SGD only
2) Fast and Secure Transfer (FAST) – SGD only
3) DBS/POSB Bill Payment – SGD only
4) eNETS[15] – SGD only
5) Credit/Debit Card[16] – SGD/USD
6) Telegraphic Transfer[17]
7) Internal Transfer within PhillipCapital Group

Please note that only selected currencies may apply for some transfer methods. For more information on transfer methods, contact our Client Service Desk at (65) 6538 0500 or your Account Executive.

Withdrawal[18]

Customers who wish to withdraw funds from their Phillip Nova account, they may do so through the following 2 methods:

Client Portal: Log in to https://myaccount.phillipnova.com.sg > Fund Withdrawal.

Physical form[19]: Customers may download and fill up the physical form at www.phillipnova.com.sg > Support > Forms & Downloads, and send it back to us via email at nova@phillip.com.sg or fax to (65) 6536 7367.

[14] Phillip Nova only accepts deposits made from bank accounts bearing the account holder's name. Supporting document(s) may be required to ascertain the source of funds.

[15] Available on Client Portal. Log in to https://myaccount.phillipnova.com.sg to make funds transfer via eNETS.

[16] Available on Client Portal. Log in to https://myaccount.phillipnova.com.sg to make funds transfer via Credit/Debit Card. Applicable to Singapore, Malaysia and Indonesia issued cards. Admin fees apply, refer to www.phillipnova.com.sg for details.

[17] Funds received via telegraphic transfer will be charged a USD10 processing fee.

[18] Phillip Nova proposes no additional fees or charges through the abovementioned methods. However please take note for Telegraphic Transfer, banks' remittance charges are applicable and will be borne by customers.

[19] Not applicable to customer who applied for account online, fund withdrawal request has to be submitted through Client Portal.

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