

BRIEF NOTES/GUIDELINES ON CONTRACT FOR DIFFERENCE

1

LEVERAGE

Leverage Up to 3.3 or 5 times (Non-STI component stocks)
Up to 10 times (STI component stocks)

The margin rate is stipulated on the list of counters available for CFD trading.

The CFD trading limit is determined by LTS at its sole discretion.

2

MINIMUM INITIAL DEPOSIT

Cash S\$2,000

3

COMMISSION

Contract Size	Online	Advisory
Up to S\$20,000	0.22%	0.35%
>S\$20,000 to S\$50,000	0.18%	0.30%
>S\$50,000	0.15%	0.25%
Minimum Commission	\$18/-	\$30/-

Rates are applicable to both long and short contracts.

4

FINANCE CHARGE

Long Position 6.5% per annum
Short Position 4% per annum

Accrued finance charge on outstanding positions will be realized on the last day of every month.

5

INTEREST FREE PERIOD

T+2 market days

6

COUNTER LIMIT

Counter limit is set for each CFD counter per account which may be varied from time to time at the discretion of the management. Limits include \$50K, \$100K, \$250K and \$1M.

Both long and short positions apply.

7

INTEREST RATE

Interest is chargeable on debit ledger balance at a prevailing rate of 8% p.a. or such rate determined by LTS which may change from time to time. Debit balance must be settled in full within 7 days, latest in the month following the occurrence of the debit balance.

Interest is payable on a credit ledger balance at the prevailing rate based on LTS's rate for trust a/c. There will, however, be a monthly administrative charge, subject to the lower of interest earned or \$1/- for the month

Interest rate is subject to change at any time without prior notice.

8 MAINTENANCE REQUIREMENTS

<u>Margin Percentage</u>	<u>Action</u>
100%	New CFD positions cannot be initiated unless additional cash is deposited.
Below 100% (Margin Call)	Top up with cash within 2 days from date of notice so that the margin percentage is not less than 100%. Failure to top up may result in force liquidation by Company to bring the margin percentage to not less than 100%.
Below 75% (Force Closure)	Liquidate the outstanding CFD position without further notice.

$$\text{N.B : Margin Percentage} = \frac{\text{Total Equity}}{\text{Initial Margin}} \times 100\%$$

$$\text{Total Equity} = \text{Ledger}^* \pm \text{Unrealised Profit/Loss} - \text{Accrued Finance Charged} - \text{Accrued Debit Interest}$$

Initial Margin refers to the minimum amount required to open CFD positions.

* Ledger Balance = Cash Deposit – Commission – Realized Finance Charge +/- Realized Profit/Loss +/- Realized Credit/Debit Interest

9 CORPORATE ACTION

Dividends

Adjustments shall be made with reference to only **cash dividend** attributable to the underlying security of any CFD and shall be made and calculated as follows :

- (a) where the client holds a long position[^], LTS shall adjust the CFD Account in favour of the client by the net dividend per share multiplied by the contract quantity; and
- (b) where the client holds a short position^{*}, LTS shall adjust the account in favour of LTS by the gross dividend per share multiplied by the contract quantity.

[^]Option for scrip dividend not allowed. Cash adjustments will be made.

^{*}Option for scrip dividend not allowed. For dividend payable in a currency other than SGD, you are required to close off the short position per the schedule under 'Other Corporate Actions'.

Other Corporate Actions

You are required to close off any open CFD positions as follows:

- Long CFD position : 3 market days before ex-date
- Short CFD position : 7 market days before ex-date

Notwithstanding the foregoing, LTS reserves the right to close all open positions before the ex-date for any corporate actions relating to the underlying security.

10 HANDLING FEES FOR DIVIDEND DISTRIBUTION

S\$3.00 + GST for dividend below \$10/-

S\$5.00 + GST for dividend above \$10/-

1% subject to max of S\$100.00 + GST for dividend above \$500/-

The material herein is subject to change at the discretion of Management.