

How to read the **Futures and Options Trading Statement (Tax invoice)**

This information has been prepared to help you understand your Futures and Options Trading Statement (Tax Invoice). It should be read in conjunction with your trading statements.

ABOUT YOUR TRADING STATEMENTS

If you have provided your email address, trading statements will be emailed when trading activity occurs. You will also receive a copy in the mail to your nominated mailing address. Statements are mailed using the standard Australia Post service, so please allow for delivery periods to your address location.

We recommend that you subscribe to the email delivery service as this will enable you to receive statements overnight on the day of processing. Please ensure that you have provided your email address as part of the account information requested in the Account Opening Form if you wish to utilise this service.

Please retain copies for tax purposes, as additional statements will incur a reproduction fee.

IMPORTANT

Clients must review the full contents of all statements issued and advise Bell Commodities of any discrepancies immediately. It is important that clients read and understand the contents of issued documents. Bell Commodities representatives are available if you require assistance on receipt of your first trading statement.

We recommend that clients maintain an order book of all instructions given to Bell Commodities and verify that the contents of the statements are in accordance with the instructions given. In the event that you do not receive a statement via email or postal delivery, please contact your Bell Commodities Adviser.

ADDRESS

Your postal address will appear at the top of the statement. Please advise Bell Commodities in writing immediately of any change of address.

1. Date

This is the processing date for the business contained on the statement. Please note that non-Sydney Futures Exchange is processed one day after the trade date due to the time difference between Australia and other major international financial regions.

2. Adviser

Your adviser's initials.

3. Account

The number assigned to your account. This should be quoted when placing all orders or making enquiries on your account, together with the full account name. This is also the "agent reference" that must be quoted on all bank deposits of funds into our segregated bank accounts. Please keep this account number confidential.

In accordance with industry regulations, all client fund accounts are "Segregated Accounts" and this will show on your statement.

4. Opening Account Balances

The current cash balance in the account prior to the entries for the trading day, detailed in each currency held.

How to read the **Futures and Options** Trading Statement

5. **Futures/Options Confirmations**

These are the trades that have been booked to your account for this business day. Where Option Premium is posted on trade registration (for all non-SFE options), the amount on this line represents the premium credited on sold options, or debited on bought options. Where more than one option has traded, a sub-total will appear with a descriptive line. There will be a zero on this line where a future or SFE option has been traded as the profit or loss on these contracts do not post to your account until settlement.

Under each position, the FLTD (Futures Last Trade Date), EDAT (Option Expiry Date), and UNSP (underlying futures price) will be displayed where applicable.

Also shown will be the amount of brokerage and GST (if applicable) charged in the currency of the contract that you have traded.

Date	Trade date
Long	Buy
Short	Sell
Contract	Month
Description	Contract
Strike	C = Call P = Put option on strike
Price	Traded Price
Currency	Currency of the "Amount"
Amount	The amount charged

The Recap of Confirm Activity will show the total amount of Brokerage, GST charged on brokerage, and the total option premium credited or debited as a result of these trades.

6. **Realised Futures Gains/Losses**

This section details all settlements (position close-outs), including the realised profit or loss on each settlement. Where the contract is a non-SFE option contract, this will be zero (see above). For information purposes, only for non-SFE options where premium is posted in the confirmation section, the profit/loss will show in the currency of the contract ("Options P&L For Information Only").

7. **Itemised Cash Activity**

Cash Activity includes any deposits, withdrawals, cash adjustments, or any other non-trade related activity that results in a movement of the account balance. It shows the date, description, currency and amount of the activity.

Unless instructed by the client in writing on account opening to retain all realised trading related activity in the traded currency, the brokerage, GST, premium and profit/loss related activity will be converted into Australian Dollars. The entries shown on the statement will show the value in the original currency and the converted Australian Dollar amount, together with the exchange rate used in the conversion. The amount of information shown on the trading statement may appear complex to the new client. To assist with this, Bell Commodities provides a monthly Financial Summary, which shows the converted consolidated totals by the different activity type (eg. brokerage, GST, settlements, etc), which is issued to clients at each month end.

Many Bell Commodities' clients find that this conversion process greatly assists in tracking profit/loss and in tax related reporting. Should you not wish this to occur with your account, please instruct Bell Commodities in writing to maintain your account as "non-converting", however please note that realised losses that result in a debit balance in any currency must be funded in the respective currency or Bell Commodities will instruct a conversion at the prevailing market rate without notice to the Client.

How to read the **Futures and Options** Trading Statement

8. **Closing Account Balances**

This is the “cash balance” of your account, detailed in each currency held, after all related entries have been credited and debited for the trading day. This does not include the margin obligation on the account.

9. **Futures/Option Open Positions**

This section will detail the trade date, long (buy), short (sell), contract month/description, option type (put/call) and strike, together with the traded price, and unrealised profit or loss “Amount”.

On a **Futures position**, “Amount” will be the marked-to-market value, which is calculated as the difference between the traded “Price” and the “Settlement” price.

On an **SFE Option**, “Amount” will be the marked-to-market value, which is calculated as the difference between the traded “Price” and the “Settlement” price. The premium value will post on trade settlement, exercise, assignment or expiry. This is due to the different margining method that the SFE uses compared to other foreign exchanges.

Non-SFE options (eg. EUREX **DAX**, CBOT **Wheat**) post option premium on trade registration, and this will appear under Futures/Options Confirmations and effect the Closing Balance on your account. The “Amount” column will therefore represent the total liquidation value (the amount that would be either credited or debited on the selling or buying of a closing option) based on the “Settlement” price.

Under each position, the FLTD (Futures Last Trade Date), EDAT (Option Expiry Date), and UNSP (underlying futures price) will be displayed.

The Unrealised P&L amount is for information only, and is the difference between the premium originally posted on a non-SFE option, and the current market value (overall trade profit or loss).

In the Money will be shown where an option is in the money. An option, which is profitable to exercise, ie a long call option with a strike price lower (or a long Put option with strike price higher) than the current market value of the underlying futures contract will show as a credit in the money amount. If a short option position is in the money it will show as a debit value.

Totals will then show in Base Currency (usually Australian Dollars AUD) (See Table 1)

10. **Account Total Adjusted Margin Detail Summary** (See Table 2)

Where notional conversions are used to display amounts in base currency throughout the statement, the approximate exchange rates will be displayed.

ADDITIONAL INFORMATION

In addition to the statement issued when trading activity occurs, at the end of each month Bell Commodities will also provide a Monthly Combined Commodity Statement, which is a full account history of all trading and financial activity for the month.

Bell Commodities will also issue a Financial Summary report, which shows the consolidated movement for the period on your account. This will show you the total amount of brokerage, GST, cash paid or withdrawn, premium, settlements or other financial activity that has occurred on the account.

Bell Commodities will also provide a Financial Summary for each Australian Tax Year period (1 July – 30 June) to assist with your financial reporting obligations.

If you have any questions concerning your account or require further assistance, please contact your nominated Bell Commodities Client Adviser.

Table 1

FUTURES/OPTION OPEN POSITIONS

Total Cash Market Value	Futures and options related mark-to-market. (Where option premium is not posted on trade registration – SFE options)
Total Non-Cash Market Value	Foreign Exchange related transactions
Total Long Option Value	Liquidation value of long (bought) option positions where the premium was posted on the original trade registration (the amount that would be received if the options were sold based on the current settlement price)
Total Short Option Value	Liquidation value of short (sold) option positions where the premium posted was on the original trade registration (the amount that would be paid if the options were bought based on the current settlement price)
Net Option Value	Difference between Long Option and Short Option Value
Net Liquidity	If all positions were closed at settlement price, this would be the account balance (not including brokerage and/or GST due).

Table 2

ACCOUNT TOTAL ADJUSTED MARGIN DETAIL SUMMARY

Initial Margin	The deposit requirement using the defined exchange calculation method, for each currency that you have positions denominated in. This is calculated by using the exchange published risk parameter files issued on a daily basis. The liquidation value (Net Option Value) of options is included within the initial margin calculation for non-SFE options.
Cash Equity	The Closing Account Balance plus the Total Cash Market Value.
Unrealised Equity on Forwards	Foreign Exchange trades only (forward dated prompts)
Pending Cash Entries	Forward dated cash entries (funds pending clearance)
Margin Call/Excess	The excess or shortage of the overall account
Total Value in Base Currency	If all positions were closed at settlement price, this would be the account balance (not including brokerage and/or GST due). Notional conversion into Australian Dollars of the above balances based on daily exchange rates. If this amount is a debit, your account will be considered on "Margin Call" and funds are required to be remitted to cover this amount immediately.

BELL COMMODITIES OFFICES**SYDNEY**

Level 33, 225 George St
Sydney NSW 2000

Tel: 02 8243 3500

Fax: 02 8243 3501

MELBOURNE

Level 29, 101 Collins St
Melbourne Vic 3000

Tel: 03 9235 1900

Fax: 03 9235 1901

BRISBANE

Level 17, 10 Eagle Street
Brisbane QLD 4000

Tel: 07 3295 2600

Fax: 07 3295 2688

WWW.BELLCOMMODITIES.COM.AU