



## PARTICIPATING TRUST AGREEMENT

KNOW ALL MEN BY THESE PRESENTS :

This Agreement, made and executed this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_ by and between :

Name of Trustor : \_\_\_\_\_

Address : \_\_\_\_\_

hereinafter referred to as the "**TRUSTOR**"  
- and -

Union Bank of the Philippines a Filipino corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, and authorized to perform trust and fiduciary functions, with principal office address at 23/F UnionBank Plaza Meralco Avenue, corner Sapphire and Onyx Roads, Ortigas Center, Pasig City, hereinafter referred to as the "**TRUSTEE**";

WITNESSETH: That –

**WHEREAS**, the TRUSTOR/ desire/s to participate in the **UnionBank Long Term Fixed Income Portfolio** (the "Fund"), a unit investment trust fund established and administered by the TRUSTEE under and subject to the terms of a Declaration of Trust (the "Plan Rules") approved by the TRUSTEE's Board of Directors and by the Bangko Sentral Ng Pilipinas, as may be amended from time to time in accordance with the Plan Rules and existing regulations;

NOW THEREFORE, the parties hereto hereby agree as follows:

1. **Participation and Redemption** - Participation in the Fund and redemption of such participation shall be allowed only on the basis of the net asset value of each participation unit (the "OFFER NAVpu") and each redemption unit (the "BID NAVpu") respectively, determined in accordance with the Plan Rules. The TRUSTOR's investment in the Fund shall be expressed in terms of number of units of participation as appearing in the TRUSTOR's Confirmation Notice.  
  
As his/her participation, the TRUSTOR/s shall transfer, convey and pay unto the TRUSTEE, in Philippine Pesos, the amount representing the value of the units indicated in the TRUSTOR's Confirmation Notice.
2. **Client Suitability**– Prior to the acceptance of participation, the TRUSTEE shall perform client suitability, through a *Client Suitability Assessment* form which shall be acknowledged and signed by the TRUSTOR.
3. **Administration and Investment and of Fund** - The Fund, which is the pool of trust funds from the participating trustors, shall be managed, administered and invested by the TRUSTEE under the operation of the Plan Rules.
4. **Disclosure of Investment Outlets** – The TRUSTEE shall make available for review by the participant, a list of prospective and outstanding investment outlets for the Fund, which list shall be updated quarterly.
5. **Disclosure of Risks** – Prior to the signing of the Agreement, the TRUSTOR shall have read and acknowledged the *Risk Disclosure Statement*.
6. **Compensation** – As compensation for the TRUSTEE's services, it shall be entitled to Trustee fees as provided for in the Plan Rules.
7. **Liability of TRUSTEE** – Save that attributable to the TRUSTEE's fraud, bad faith, gross willful negligence, the TRUSTEE shall not be liable for any loss or depreciation in the value of the Trust Fund or in the value of the TRUSTOR's units of participation in the **UnionBank Long Term Fixed Income Portfolio** arising from any act done by the TRUSTEE pursuant to the terms hereof and thereof. Neither shall the TRUSTEE be liable for refraining to do any act where such inaction in the good faith judgment of the TRUSTEE is necessary and appropriate for the proper and advantageous administration and management of the Trust Fund.
8. **Term of Agreement** – This Agreement shall continue and remain in force until the redemption of all the TRUSTOR's units of participation or upon termination of the Fund in accordance with the Plan Rules or with laws or regulations then existing.
9. **Reference Documents** – Incorporated herein by reference are the terms, conditions, rules and regulations in the Plan Rules, Client Suitability Assessment form, Risk Disclosure Statement, and the Confirmation Notice to be issued pursuant hereto.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands.

The Trustor acknowledges that this contract is a trust agreement NOT a deposit account or an obligation of, or guaranteed, or insured by **UNIONBANK OF THE PHILIPPINES** or its affiliates or subsidiaries, and therefore is not insured or governed by the Philippine Deposit Insurance Corporation (PDIC). Any income or loss arising from market fluctuations and price volatility of the securities held by the Fund, even if invested in government securities, is for the account of the investor. As such, units of participation of the investor in the UITF, when redeemed, may be worth more or be worth less than his/her initial investment/contributions. Historical performance, when presented, is purely for reference purposes and not a guarantee of similar future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence.

\_\_\_\_\_  
(Trustor)

\_\_\_\_\_  
UBP UITF Marketing Personnel

TMP-LG-38-10

Union Bank of the Philippines - TRUST &amp; INVESTMENT SERVICES GROUP



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\_\_\_\_\_  
(Trustor)\_\_\_\_\_  
UBP UITF Marketing Personnel



# CLIENT SUITABILITY ASSESSMENT FORM (CORPORATE)

This Client Suitability Assessment (CSA) Form will guide you in choosing investment outlets that are best suited to your investments objectives, appetite, preference, and experience. The information you will provide will form the basis of our suggestions. It is important to provide accurate and complete information to ensure appropriate solutions are discussed.

### COMPANY DATA

COMPANY NAME	ACCOUNT NUMBER	DATE UNDERTAKEN
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### FINANCIAL AND INVESTMENT PROFILE

<p>APPROXIMATE LIQUID FUNDS</p> <input type="checkbox"/> [1] Less than Php 5 Million <input type="checkbox"/> [2] Php 5 Million to Php 50 Million <input type="checkbox"/> [3] Php 50 Million to Php 100 Million <input type="checkbox"/> [4] Php 100 Million to Php 500 Million <input type="checkbox"/> [5] More than Php 500 Million	<p>CURRENCY OF INVESTMENTS HELD (Select all that apply)</p> <input type="checkbox"/> [1] Philippine Peso <input type="checkbox"/> [2] US Dollars <input type="checkbox"/> [3] Euros <input type="checkbox"/> [3] UK Pounds <input type="checkbox"/> [3] Australian Dollars <input type="checkbox"/> [3] Hong Kong Dollars <input type="checkbox"/> [3] Singaporean Dollars <input type="checkbox"/> [3] Chinese Yuan <input type="checkbox"/> [3] Others: _____
<p>How do you perceive the company's level of investment experience?</p> <input type="checkbox"/> [1] No experience <input type="checkbox"/> [2] Fairly experienced <input type="checkbox"/> [3] Very experienced	<p>In what securities has the company / fund invested before?</p> <input type="checkbox"/> [1] In bank deposits, BSP SDAs, and money market placements <input type="checkbox"/> [2] In medium to long term government securities <input type="checkbox"/> [3] In mutual funds, UITFs, and corporate bonds <input type="checkbox"/> [4] In domestic and global stocks and in foreign currency

### INVESTMENT OBJECTIVES

<p>What statement best defines your investment objective?</p> <input type="checkbox"/> [1] To prevent loss of principal of my investments and generate interest income. Low but positive returns are preferred. Losses should be avoided. <input type="checkbox"/> [2] To preserve the real value of my investments and generate interest income. Minimal risk can be taken in order to earn higher returns than regular deposits. <input type="checkbox"/> [3] To grow my investments from a combination of interest income and capital appreciation. Moderate risk can be tolerated in exchange for some capital appreciation. <input type="checkbox"/> [4] To grow my investments at significant capital appreciation. There is tolerance for large negative returns, for higher volatility and for possible loss of investment.	<p>How would you describe your institution's investment horizon and liquidity requirement?</p> <input type="checkbox"/> [1] Less than 1 year. The funds are the main source of liquidity. <input type="checkbox"/> [2] 1 to 3 years. The funds may be used in the medium-term. <input type="checkbox"/> [3] 3 to 5 years. The funds are for medium to long-term needs. <input type="checkbox"/> [4] Greater than 5 years. The funds are for long-term investment.
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### RISK APPETITE

What set of portfolio returns would the company / fund be most comfortable with? (Returns on the graphs are for illustration only. They are neither actual nor expected returns)

<input type="checkbox"/> [1] <p>There are relatively minimal fluctuations in the portfolio's returns. The portfolio produces steady yields.</p>	<input type="checkbox"/> [2] <p>There are moderate fluctuations in the portfolio's returns. The portfolio produces modest interest income and capital appreciation.</p>	<input type="checkbox"/> [3] <p>There are large fluctuations in the portfolio's returns. The portfolio may achieve substantial gains but with risk of potential loss.</p>
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What would be the company / fund's preferred asset allocation?

<input type="checkbox"/> [1] 100% in liquid investments withdrawable anytime.	<input type="checkbox"/> [4] A balanced portion in fixed-income securities and equities.
<input type="checkbox"/> [2] 100% in fixed-income securities	<input type="checkbox"/> [5] A small portion in fixed-income and a large portion in equities.
<input type="checkbox"/> [3] A large portion in fixed-income securities and a portion in equities	<input type="checkbox"/> [6] 100% in equities.

### CLIENT CONFORME

My signature below indicates that:

- \* I understand that this Client Suitability Assessment is used as a guide for the Trust marketing personnel / account officer to present or recommend investments alternatives, which may include UnionBank's UITFs.
- \* I understand that Trust products are not deposit accounts, or an obligation of, or guaranteed, or insured by the Trust Entity or its affiliates or subsidiaries. I also acknowledge that these are **not insured or governed by PDIC**.
- \* I will formally notify the Trust marketing personnel / account officer of changes to my personal and/or financial situation that would change my risk profile. I acknowledge that the Client Suitability Assessment is subject to review at least every 3 years.
- \* The bank's Trust marketing personnel / account officer have explained and discussed to me in detail the results of my Client Suitability Assessment, the basis of their recommendation, and the terms and conditions of the recommended investment outlet.

TOTAL SCORE: \_\_\_\_\_ RISK PROFILE: \_\_\_\_\_

\_\_\_\_\_  
 CLIENT  
 Signature over Printed Name

\_\_\_\_\_  
 DATE

### FOR TRUST MARKETING USE ONLY

I have explained to you in detail and discussed with you the following:

[1] results of the Client Suitability Assessment  
 [2] basis of our recommendation  
 [3] terms and conditions of the recommended investment outlet

\_\_\_\_\_  
 TRUST MARKETING PERSONNEL  
 Signature over Printed Name

\_\_\_\_\_  
 DATE

Prior to making an investment, Union Bank of the Philippines - Trust and Investment Services Group (UBP-TISG) is hereby informing you of the nature of the Unit Investment Trust Funds (UITFs) / Trust / Other Fiduciary / Investment Management Accounts and the risks involved in investing therein. As investments generally carry different degrees of risk, it is necessary that before you make any investment, you should have:

1. fully understood the nature of the investment in UITFs / Trust / Other Fiduciary / Investment Management Accounts and the extent of your exposure to risks;
2. read this Risk Disclosure Statement completely; and
3. independently determined that the investment in any UITFs / Trust / Other Fiduciary / Investment Management Accounts is appropriate for you.

Identified below are the risks that you will be exposed to when investing. The level of risk will depend on the type of underlying assets in the portfolio. **UITFs / Trust / Other Fiduciary / Investment Management Accounts neither provide guaranteed returns nor are insured by the Philippine Deposit Insurance Corporation (PDIC).**

Investing in the UITFs in particular involve risks because the value of your investment is based on the Net Asset Value per unit (NAVpu) of the Fund which uses a marked-to-market valuation and therefore may fluctuate daily. The NAVpu is computed by dividing the Net Asset Value (NAV) of the Fund by the number of outstanding units. The NAV is derived from the summation of the market value of the underlying securities of the Fund plus accrued interest income less liabilities and qualified expenses.

Your investment in any of the UBP-TISG UITFs / Trust / Other Fiduciary / Investment Management Accounts exposes you to the various types of risks enumerated and defined hereunder:

**Interest Rate Risk.** This is the possibility for an investor to experience losses due to changes in interest rates. The purchase and sale of a debt instrument may result in profit or loss because the value of a debt instrument changes inversely with prevailing interest rates.

The UITFs / Trust / Other Fiduciary / Investment Management Account's portfolio, being marked-to-market, is affected by changes in interest rates thereby affecting the value of fixed income investments such as bonds. Interest rate changes affect fixed income securities inversely, i.e. as interest rates rise, bond prices fall and when interest rates decline, bond prices rise. As the prices of bonds in a portfolio adjust to a rise in interest rates, the portfolio's market value may decline.

**Market/Price Risk.** This is the possibility for an investor to experience losses due to changes in market prices of securities (e.g. stocks, bonds). It is the exposure to the uncertain market value of a portfolio due to price fluctuations.

It is the risk of the UITFs / Trust / Other Fiduciary / Investment Management Account to lose value due to a decline in securities prices, which may sometimes happen rapidly or unpredictably. The value of investments fluctuates over a given time period because of general market conditions, economic changes or other events that impact large portions of the market such as political events, natural calamities, etc. As a result, particularly for UITFs, the Net Asset Value per Unit (NAVPU) may increase to make profit or decrease to incur loss.

**Liquidity Risk.** This is the possibility for an investor to experience losses due to the inability to sell or convert assets into cash immediately or in instances where conversion to cash is possible but at a loss. These may be caused by different reasons such as trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity or underdeveloped capital market.

Liquidity risk occurs when certain securities in the UITFs / Trust / Other Fiduciary / Investment Management Account portfolio may be difficult or impossible to sell at a particular time which may prevent the redemption of investments until its assets can be converted to cash. Even government securities which are the most liquid of fixed income securities may be subjected to liquidity risk particularly if a sizeable volume is involved.

**Credit Risk/Default Risk.** This is the possibility for an investor to experience losses due to a borrower's failure to pay principal and/or interest in a timely manner on instruments such as bonds, loans, or other forms of security which the borrower issued. This inability of the borrower to make good on its financial obligations may have resulted from adverse changes in its financial condition thus, lowering credit quality of the security, and consequently lowering the price (market/price risk) which contributes to the difficulty in selling such security. It also includes risk on a counterparty (a party the Fund / Portfolio Manager trades with) defaulting on a contract to deliver its obligation either in cash or securities.

This is the risk of losing value in the UITFs / Trust / Other Fiduciary / Investment Management Account portfolio in the event the borrower defaults on his obligation or in the case of counterparty, when it fails to deliver on the agreed trade. This decline in the value of the portfolio happens because the default/failure would make the price of the security go down and may make the security difficult to sell.

As these happen, particularly for UITFs, the Fund's NAVPU will be affected by a decline in value.

**Reinvestment Risks.** This is the risk associated with the possibility of having lower returns or earnings when maturing funds or the interest earnings of funds are reinvested.

Investors who redeem and realize their gains run the risk of reinvesting their funds in an alternative investment outlet with lower yields. Similarly, the UBP-TISG Fund / Portfolio Manager is faced with the risk of not being able to find good or better alternative investment outlets as some of the securities in the fund matures.

In case of a foreign-currency denominated UITF / portfolio or a peso denominated UITF / portfolio allowed to invest in securities denominated in currencies other than its base currency, the UITF or portfolio is also exposed to the following risks:

**Foreign Exchange Risk.** This is the possibility for an investor to experience losses due to fluctuations in foreign exchange rates. The exchange rates depend upon a variety of global and local factors, e.g., interest rates, economic performance, and political developments.

It is the risk of the UITF or portfolio to currency fluctuations when the value of investments in securities denominated in currencies other than the base currency of the UITF or portfolio depreciates. Conversely, it is the risk of the UITF or portfolio to lose value when the base currency of the UITF or portfolio appreciates. For UITFs in particular, the net asset value per unit (NAVpu) of a peso-denominated UITF invested in foreign currency-denominated securities may decrease to incur loss when the peso appreciates.

**Country Risk.** This is the possibility for an investor to experience losses arising from investments in securities issued by/ in foreign countries due to the political, economic and social structures of such countries. There are risks in foreign investments due to the possible internal and external conflicts, currency devaluations, foreign ownership limitations and tax increases of the foreign country involved which are difficult to predict but must be taken into account in making such investments.

Likewise, brokerage commissions and other fees may be higher in foreign securities. Government supervision and regulation of foreign stock exchanges, currency markets, trading systems and brokers may be less than those in the Philippines. The procedures and rules governing foreign transactions and custody of securities may also involve delays in payment, delivery or recovery of investments.

**Other Risks.** Your participation in the UITF or investment in portfolio may be further exposed to the risk of any actual or potential conflicts of interest in the handling of in-house or related party transactions by UBP-TISG. These transactions may include own-bank deposits; purchase of own-institution or affiliate obligations (stocks, mortgages); purchase of assets from or sales to own institution, directors, officers, subsidiaries, affiliates or other related interests/parties; or purchases or sales between fiduciary/managed accounts.

**I/WE HAVE COMPLETELY READ AND FULLY UNDERSTOOD THIS RISK DISCLOSURE STATEMENT AND THE SAME WAS CLEARLY EXPLAINED TO ME/US BY A UNION BANK MARKETING PERSONNEL BEFORE I/WE AFFIXED MY/OUR SIGNATURE/S HEREIN. I/WE HEREBY VOLUNTARILY AND WILLINGLY AGREE TO COMPLY WITH ANY AND ALL LAWS, REGULATIONS, THE PLAN RULES, TERMS AND CONDITIONS GOVERNING MY/OUR INVESTMENT IN THE UnionBank UITFs.**

\_\_\_\_\_  
Signature over Printed Name

\_\_\_\_\_  
Date

I acknowledge that I have (1) advised the client to read this Risk Disclosure Statement, (2) encouraged the client to ask questions on matters contained in this Risk Disclosure Statement, and (3) fully explained the same to the client.

\_\_\_\_\_  
Signature over Printed Name / Position

\_\_\_\_\_  
Date



## WAIVER TO INVEST IN SPECIFIC INSTRUMENTS

**TO BE ACCOMPLISHED ONLY BY CLIENTS WHO WANT SPECIFIC INVESTMENTS THAT ARE NOT CONSISTENT WITH THE RESULTS OF THE CSA**

I hereby exercise my option to invest in instruments not consistent with the results of the Client Suitability Assessment. By signing below, I acknowledge the following:

- \* I do not agree with or accept the recommendation of the of the Trust Marketing Personnel on the appropriateness of the investment products or portfolio based on the Client Suitability Assessment profile results.
- \* I would like to avail of the investment product or portfolio other than which is consistent with the results of the Client Suitability Assessment.
- \* I fully understand and is willing to take the risks incidental to the investment product or portfolio to be availed of.
- \* I indemnify and hold harmless the personnel of Unionbank of the Philippines, its directors, officers and employees from any claim, suit, actions, loss, damage or expense which I may incur as a result of my decision to invest in products / portfolio with higher risks.
- \* I note the result of the Client Suitability Assessment, which classifies me as a(n) \_\_\_\_\_ investor.

Nevertheless, I want to specifically invest in the following investment/service/transaction/product:

- a.) \_\_\_\_\_
- b.) \_\_\_\_\_
- c.) \_\_\_\_\_

- \* This waiver pertains only to the aforementioned investments/service/transaction/product and is not a request for a re-classification of my general risk profile.

CLIENT  
Signature over Printed Name

DATE

**FOR TRUST MARKETING USE ONLY**

I have explained to you in detail and discussed with you the following:

- [1] The increased risks in investing in instruments not according to the results of the Client Suitability Assessment.
- [2] The protection you will lose by being re-classified outside the risk profiling process.

TRUST MARKETING PERSONNEL  
Signature over Printed Name

DATE

# CSA Scoring Guide

Score	Type of Investor	Recommended Product(s)
1-16	Conservative	<ul style="list-style-type: none"> <li>○ Deposit Accounts/TDs</li> </ul>
17-20	Moderately Conservative	<ul style="list-style-type: none"> <li>○ UB Short-term Fixed Income</li> <li>○ UB Philippine Fixed Income</li> <li>○ Intermediate-term Fixed Income</li> <li>○ Long-Term Fixed Income</li> <li>○ Dollar Bond Fund</li> <li>○ Tax-Exempt Fund</li> <li>○ Infinity Prime Fund</li> </ul>
21-26	Moderately Aggressive	<ul style="list-style-type: none"> <li>○ NA</li> </ul>
27 and up	Aggressive	<ul style="list-style-type: none"> <li>○ Large Capitalization Equity Fund</li> <li>○ Balanced Fund</li> <li>○ Dividend Play Fund</li> <li>○ Philippine Equity Index Tracker</li> </ul>