



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

CIRCULAR NO. 593
Series of 2008

Subject: Amendments to Unit Investment Trust Funds (UITFs) Regulations

Pursuant to Monetary Board Resolution No. 1499 dated 27 December 2007, Subsections X410.6/4410Q.6 and X410.7/4410Q.7 of the Manual of Regulations for Banks (MORB)/Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), respectively, are hereby amended to read as follows:

Section 1. **"Subsection X410.6/4410Q.6 Plan rules.** Each UIT Fund shall be established, administered and maintained in accordance with a written trust agreement drawn by the trustee, referred to as the "Plan" which shall be approved by the Board of Directors of the trustee and a copy of which shall be submitted to the Bangko Sentral for PROCESSING AND approval prior to its implementation. EACH NEW UIT FUND PLAN FILED FOR APPROVAL SHALL BE CHARGED A PROCESSING FEE OF P10,000.00.

The Plan shall contain the following minimum elements:

- a. Title of the Plan. This shall correspond to the product/brand name by which the UIT fund is proposed to be known and made available to its clients. THE PLAN RULES SHALL STATE THE CLASSIFICATION OF THE UIT FUND (E. G., MONEY MARKET FUND, BOND FUND, BALANCED FUND AND EQUITY FUND).
- b. Manner by which the fund is to be operated. A statement of the fund's investment objectives and policies including limitations, *if any*.
- c. RISK DISCLOSURE. THE PLAN RULES SHALL STATE BOTH THE GENERAL RISKS AND RISKS SPECIFIC TO THE TYPE OF FUND.
- d. Investment powers of the trustee with respect to the fund, including the character and kind of investments, which may be purchased, by the fund. There must be an unequivocal statement of the full discretionary powers of the trustee as far as the fund's investments are concerned. These powers shall be limited only by the duly stated investment objective and policies of the fund.
- e. The unitized NAVPu valuation methodology as prescribed under Subsection UX410.5.d /U4410Q.5.d shall be employed.
- f. Terms and conditions governing the admission or redemption of units of participation in the fund. THE PLAN RULES SHALL STATE THAT THE TRUSTEE, PRIOR TO ADMISSION OF A CLIENT'S INITIAL PARTICIPATION IN THE UIT FUND, SHALL CONDUCT A CLIENT SUITABILITY ASSESSMENT TO PROFILE THE RISK-RETURN ORIENTATION AND SUITABILITY OF THE CLIENT TO THE SPECIFIC

TYPE OF FUND. If the frequency of admission or redemption is other than daily; that is, any business day, the same should be explicitly stated in the Plan rules: Provided That the admission and redemption shall be based on the END OF DAY NAVPU OF THE FUND COMPUTED AFTER THE CUT-OFF TIME FOR FUND PARTICIPATION AND REDEMPTION FOR THAT REFERENCE DAY, IN ACCORDANCE WITH EXISTING BSP REGULATIONS ON MARK TO MARKET VALUATION OF INVESTMENT SECURITIES.

- g. Aside from the regular audit requirement applicable to all trust accounts, an external audit of each UIT fund shall be conducted annually by an independent auditor acceptable to the BSP and the results thereof made available to participants. The external audit shall be conducted by the same external auditor engaged for the audit of the Trust Entity.
- h. Basis upon which the fund may be terminated. The Plan RULES shall state the rights of participants in case of termination of the fund. Termination of the fund shall be duly approved by the trustee's Board of Directors and a copy of the resolution submitted to the appropriate department of the BSP.
- i. Liability clause of the trustee. There must be a clear and prominent statement adjacent to where a client is required to sign THE PARTICIPATING TRUST AGREEMENT THAT (1) THE UIT FUND IS A TRUST PRODUCT AND NOT A DEPOSIT ACCOUNT OR AN OBLIGATION OF, OR GUARANTEED, OR INSURED BY THE TRUST ENTITY OR ITS AFFILIATES OR SUBSIDIARIES; (2) THE UIT FUND IS NOT INSURED OR GOVERNED BY THE PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC); (3) DUE TO THE NATURE OF THE INVESTMENT, YIELDS AND POTENTIAL YIELDS CANNOT BE GUARANTEED; (4) ANY LOSS/INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UIT FUND, EVEN IF INVESTED IN GOVERNMENT SECURITIES, IS FOR THE ACCOUNT OF THE CLIENT/PARTICIPANT; (5) AS SUCH, THE UNITS OF PARTICIPATION OF THE INVESTOR IN THE UIT FUND, WHEN REDEEMED, MAY BE WORTH MORE OR BE WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTIONS; (6) HISTORICAL PERFORMANCE, WHEN PRESENTED, IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE RESULT; AND (7) THE TRUSTEE IS NOT LIABLE FOR LOSSES UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.
- j. Amount of fees/commission and other charges to be deducted from the fund. The amount of fees that shall be charged to a fund shall cover the fund's fair and equitable share of the routine administrative expenses of the trustee such as salaries and wages, stationery and supplies, credit investigation, collateral appraisal, security, messengerial and janitorial services, EDP expenses, BSP supervision fees and internal audit fees. However, the trustee may charge a *UIT fund for special expenses* IN CASE SUCH EXPENSES ARE (1) NECESSARY TO PRESERVE OR ENHANCE THE VALUE OF THE FUND, (2) PAYABLE TO A THIRD PARTY COVERED BY A SEPARATE CONTRACT, AND (3) DISCLOSED TO PARTICIPANTS. THE TRUSTEE SHALL SECURE PRIOR BSP APPROVAL FOR OUTSOURCING SERVICES PROVIDED UNDER EXISTING REGULATIONS. No other fees shall be charged to the fund.

Marketing or other promotional related expenses shall be for the account of the trustee and shall be presumed covered by the trust fee.

- k. Such other matters as may be necessary or proper to define clearly the rights of participants in the UIT Fund. The provisions of the plan shall govern participation in the fund including the rights and benefits of persons having interest in such participation, as beneficiaries or otherwise. The Plan may be amended by a resolution of the Board of Directors of the trustee: Provided however, That participants in the fund shall be immediately notified of such amendments and shall be allowed to withdraw their participations within a reasonable time but in no case less than thirty (30) calendar days after the amendments are approved, if they are not in conformity with the amendments made thereto: Provided further, That amendments to the plan shall be submitted to the Bangko Sentral within ten (10) business days from approval of the amendments by the Board of Directors. FOR PURPOSES OF IMPOSING MONETARY PENALTIES PROVIDED UNDER SUBSECTIONS X162.2/4162Q.3 OF THE MORB/MORNBFI, RESPECTIVELY, FOR DELAYED SUBMISSION OF REPORTS, THE AMENDMENTS TO THE PLAN SHALL BE CONSIDERED AS "CATEGORY A-3" REPORT. The amendments shall be deemed approved after thirty (30) business days from date of completion of requirements.

A copy of the Plan shall be available at the principal office of the trustee during regular office hours, for inspection by any person having an interest in the fund or by his authorized representative. Upon request, a copy of the plan shall be furnished such interested person."

Section 2. "Subsection X410.7/4410Q.7 Minimum disclosure requirements.

- a. **Disclosure of Unit Investment Trust Fund investments.** A list of prospective and outstanding investment outlets shall be made available by the trustee for the review of all UIT Fund clients. Such disclosure shall be substantially in the form hereto attached as *Appendix 'A'*. The list of investment outlets shall be updated quarterly.
- b. **Distribution of investment units.** The trustee may issue such conditions or rules, as may affect the distribution of investment units subject to the minimum conditions enumerated hereunder.
- (1) **Marketing Materials.** All printed marketing materials related to the sale of a UIT Fund shall clearly state:
- a) The designated name and CLASSIFICATION of the fund and the fund's trustee.
 - b) Minimum information regarding:
 - (i) The general investment policy and applicable risk profile. THERE SHALL BE A CLEAR DESCRIPTION/EXPLANATION OF THE GENERAL RISKS ATTENDANT WITH INVESTING IN A UIT FUND, INCLUDING RISK SPECIFIC TO A TYPE OF FUND. TECHNICAL TERMS SHOULD LIKEWISE BE DEFINED IN

LAYMEN'S TERMS¹.

- (ii) Particulars or administrative and marketing details like pricing and cut-off time.
 - (iii) All charges made/to be made against the fund, including trust fees, other related charges.
 - (iv) The availability of the Plan rules governing the Fund, upon the client's request.
 - (v) CLIENT and Product Suitability Standards. PRIOR TO ADMISSION, THE TRUSTEE SHALL PERFORM A CLIENT PROFILING PROCESS FOR ALL UIT FUND PARTICIPANTS UNDER THE GENERAL PRINCIPLES ON CLIENT SUITABILITY ASSESSMENT TO GUIDE THE CLIENT IN CHOOSING INVESTMENT OUTLETS THAT ARE BEST SUITED TO HIS OBJECTIVES, RISK TOLERANCE, PREFERENCES AND EXPERIENCE. THE PROFILING PROCESS SHALL, AT THE MINIMUM, REQUIRE THE TRUSTEE TO OBTAIN CLIENT INFORMATION THROUGH THE CLIENT SUITABILITY ASSESSMENT (CSA) FORM, CLASSIFY THE CLIENT ACCORDING TO HIS FINANCIAL SOPHISTICATION AND COMMUNICATE THE CSA RESULTS TO THE SUBJECT CLIENT. THE GENERAL PRINCIPLES ON CSA SHALL ALSO REQUIRE THE TRUSTEE TO ADOPT A NOTICE MECHANISM WHEREBY CLIENTS ARE ADVISED AND/OR REMINDED OF THE EXPLICIT REQUIREMENT TO NOTIFY THE TRUSTEE OR ITS UIT FUND MARKETING PERSONNEL OF ANY CHANGE IN THEIR CHARACTERISTICS, PREFERENCES OR CIRCUMSTANCES TO ENABLE THE TRUSTEE TO UPDATE CLIENT'S PROFILE AT LEAST EVERY THREE (3) YEARS.
- c) The participation is not a "deposit account" but a trust product; and that any loss/income is for the account of the participant; that the trustee is not liable for losses UNLESS UPON WILLFUL DEFAULT, BAD FAITH OR GROSS NEGLIGENCE.
 - d) A BALANCED ASSESSMENT OF THE POSSIBLE GAINS AND LOSSES OF THE UIT FUND AND THAT the participation does not carry any guaranteed rate of return, and is not insured by the PDIC.
 - e) AN ADVISORY THAT THE INVESTOR MUST READ THE COMPLETE DETAILS OF THE FUND IN THE PLAN RULES, MAKE HIS/HER OWN RISK ASSESSMENT, AND WHEN NECESSARY, HE/SHE MUST SEEK INDEPENDENT/PROFESSIONAL OPINION, BEFORE MAKING AN INVESTMENT.
- (2) Evidence of participation. Every UIT Fund participant shall be given -
- (a) A participating trust agreement. Such agreement shall clearly indicate that (1) THE UIT FUND IS A TRUST PRODUCT AND NOT A DEPOSIT ACCOUNT OR AN OBLIGATION OF, OR GUARANTEED,

¹ Example: "Fixed income securities" does not really mean a guarantee of fixed earnings on the investor's participation; "Risk-free" government securities which may be sovereign "risk-free" but not interest rate "risk-free"

OR INSURED BY THE TRUST ENTITY OR ITS AFFILIATES OR SUBSIDIARIES; (2) THE UIT FUND IS NOT INSURED OR GOVERNED BY THE PDIC; (3) DUE TO THE NATURE OF THE INVESTMENT, YIELDS AND POTENTIAL YIELDS CANNOT BE GUARANTEED; (4) ANY LOSS/INCOME ARISING FROM MARKET FLUCTUATIONS AND PRICE VOLATILITY OF THE SECURITIES HELD BY THE UIT FUND, EVEN IF INVESTED IN GOVERNMENT SECURITIES, IS FOR THE ACCOUNT OF THE CLIENT/PARTICIPANT; (5) AS SUCH, THE UNITS OF PARTICIPATION OF THE INVESTOR IN THE UIT FUND, WHEN REDEEMED, MAY BE WORTH MORE OR BE WORTH LESS THAN HIS/HER INITIAL INVESTMENT/CONTRIBUTIONS; (6) HISTORICAL PERFORMANCE, WHEN PRESENTED, IS PURELY FOR REFERENCE PURPOSES AND IS NOT A GUARANTEE OF SIMILAR FUTURE RESULT; AND (7) the trustee is not liable for losses unless upon willful default, BAD FAITH OR GROSS NEGLIGENCE.

IN ADDITION TO THE AGREEMENT, EVERY UIT FUND PARTICIPANT SHALL BE PROVIDED WITH –

- (1) CLIENT SUITABILITY ASSESSMENT FORM TO BE ACCOMPLISHED DURING THE PROFILING PROCESS REQUIRED UNDER THE GENERAL PRINCIPLES ON CSA. THIS IS DESIGNED TO ENSURE THAT BASED ON RELEVANT INFORMATION ABOUT THE CLIENT, HIS INVESTMENT PROFILE IS MATCHED AGAINST THE INVESTMENT PARAMETERS OF THE UIT FUND. AT THE MINIMUM, CLIENT INFORMATION SHALL INCLUDE PERSONAL OR INSTITUTIONAL DATA, INVESTMENT OBJECTIVE, INVESTMENT HORIZON, INVESTMENT EXPERIENCE, AND RISK TOLERANCE; AND
- (2) RISK DISCLOSURE STATEMENT, WHICH IN REFERENCE TO SUBSECTION X410.6.C/4410Q.6.C, SHALL DESCRIBE THE ATTENDANT GENERAL AND SPECIFIC RISKS THAT MAY ARISE FROM INVESTING IN THE UIT FUND. SUCH STATEMENT SHALL BE SUBSTANTIALLY IN THE FORM HERETO ATTACHED AS *APPENDIX 'B'*.

BOTH DOCUMENTS SHALL BE SIGNED BY THE CLIENT/PARTICIPANT AND THE UIT MARKETING PERSONNEL WHO ASSESSED AND EXPLAINED TO THE CONCERNED CLIENT HIS/HER ABILITY TO BEAR THE RISKS AND POTENTIAL LOSSES.

- (b) A confirmation of participation and redemption made to/from the Fund that shall contain the following information:
 - (i) NAVPU of the fund on day of purchase/redemption;
 - (ii) Number of units purchased/redeemed; and
 - (iii) Absolute peso or foreign currency value

No indicative rates of return shall be provided in the trust participating agreement. Marketing materials may present relevant historical

performance purely for reference and with clear indication that past results do not guarantee similar future results.

(3) A participating trust agreement or confirmation of contribution/redemption need not be manually signed by the trustee or his authorized representative if the same is in the form of an electronic document that conforms with the implementing rules and regulations of R.A. No. 8792, otherwise known as the Electronic Commerce Act.

c. **Regular publication/computation/availability of the fund's NAVPu.** Trust Entities managing a UIT Fund shall cause at least the weekly publication of the NAVPu of such fund in one or more newspaper of national circulation: *Provided*, That a pooled weekly publication of such NAVPu shall be considered as substantial compliance with this requirement. The said publication, at the minimum, shall clearly state the name of the fund, its general classification, the fund's NAVPu and the moving return on investment (ROI) of the fund on a year-to-date (YTD) and year-on-year (YOY) basis.

NAVPu shall be computed daily and shall be made available to participants and prospective participants upon request.

d. **Marketing Personnel.** To ensure the competence and integrity of all duly designated UIT marketing personnel, all personnel involved in the sales of these funds shall be required to undergo standardized training program in accordance with the guidelines of this Circular. This training program may be conducted by their respective Trust Entities in accordance with the minimum training program guidelines provided by the Trust Officers Association of the Philippines ('TOAP'). Such training program shall however be regularly validated by TOAP."

Section 3. This Circular shall take effect fifteen (15) days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Governor

8 January 2008

QUARTERLY INVESTMENT DISCLOSURE STATEMENT

Name of Unit Investment Trust Fund :
 For the Quarter ended :
 Net Asset Value, end of quarter :
 Net Asset Value Per Unit (NAVPu) :

Short Description:

(e.g., The Fund is a peso denominated _____ [fund classification, e.g., money market fund, bond fund, balanced fund and equity fund] suited for clients who _____. The investment objective of the Fund is to generate a steady stream of income by investing in a diversified portfolio of high-grade marketable securities)

Administrative Details:

Trust Fee¹ : P x x x / x x%

Minimum Investment :

Holding Period :

Participation/Redemption Conditions :

Special Reimbursable Expenses, if any [Art. V, sec. 3(b)]:

<u>Nature of Expense</u>	<u>Name of Third Party</u>	<u>Amount/Expense Ratio²</u>
Custodianship Fees	x x x	P x x x / x x%
External Audit Fees	x x x	x x x / x x%
Others (specify)	x x x	x x x / x x%

Outstanding Investments:

The Fund has investments in the following:

(may be in graph format showing weights per investment type or class of security)

Prospective Investments:

The following names/securities are among the Funds approved investment outlets where the Trustee intends to invest in depending on its availability or other market driven circumstances.

The UITF is NOT a DEPOSIT and not insured by PDIC. Due to the nature of the investments, yield and potential yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the UITF, 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 is not a guarantee of future results. The Trustee is not liable for losses, unless upon willful default, bad faith or gross negligence.

¹ Indicate either the (a) amount of trust fees charged to the UITF or (b) the ratio/percentage of such amount to average daily net asset value of the UITF, for the quarter.

² Indicate either the (a) amount of special reimbursable expense charged to the UITF or (b) ratio/percentage of such expense to the average daily net asset value of the UITF, for the quarter.

Average daily net asset value of the UITF for the quarter ended _____ : P _____

(NAME OF TRUST ENTITY) – (TRUST BANKING GROUP/TRUST DEPARTMENT)
Unit Investment Trust Funds
RISK DISCLOSURE STATEMENT

Prior to making an investment in any of the (Name of Trust Entity) Unit Investment Trust Funds (UITFs), (Name of Trust Entity) is hereby informing you of the nature of the UITFs and the risks involved in investing therein. As investments in UITFs carry different degrees of risk, it is necessary that before you participate/invest in these funds, you should have: 1. fully understood the nature of the investment in UITFs and the extent of your exposure to risks; 2. read this Risk Disclosure Statement completely; and 3. independently determined that the investment in the UITFs is appropriate for you.

There are risks involved in investing in the UITFs 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.

INVESTMENT IN THE UITF DOES NOT PROVIDE GUARANTEED RETURNS EVEN IF INVESTED IN GOVERNMENT SECURITIES AND HIGH-GRADE PRIME INVESTMENT OUTLETS. YOUR PRINCIPAL AND EARNINGS FROM INVESTMENT IN THE FUND CAN BE LOST IN WHOLE OR IN PART WHEN THE NAVPU AT THE TIME OF REDEMPTION IS LOWER THAN THE NAVPU AT THE TIME OF PARTICIPATION. Gains from investment is realized when the NAVpu at the time of redemption is higher than the NAVpu at the time of participation.

Your investment in any of the (Name of Trust Entity) UITFs 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 UITF 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 may affect the prices of 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 Fund adjust to a rise in interest rates, the Fund's unit price 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., bonds and equities). It is the exposure to the uncertain market value of a portfolio due to price fluctuations.

It is the risk of the UITF 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, 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 UITF portfolio may be difficult or impossible to sell at a particular time which may prevent the redemption of investment in UITF 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 UIT Fund 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 UITF portfolio in the event the borrower defaults on his obligation or in the case of a counterparty, when it fails to deliver on the agreed trade. This decline in the value of the UITF 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, the UITF'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 in the UITF who redeem and realize their gains run the risk of reinvesting their funds in an alternative investment outlet with lower yields. Similarly, the UIT fund 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 or a peso denominated UITF allowed to invest in securities denominated in currencies other than its base currency, the UITF 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 to currency fluctuations when the value of investments in securities denominated in currencies other than the base currency of the UITF depreciates. Conversely, it is the risk of the UITF to lose value when the base currency of the UITF appreciates. The net asset value per unit (NAV_{pu}) 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 UITFs 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 (Name of Trust Entity). 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 (Name of Trust Entity) UIT 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 (Name of Trust Entity) 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 of UIT Marketing Personnel

Date