

IMPORTANT NOTES & INSTRUCTIONS:

The accomplished and signed **General Risk Disclosure Statement Form** must be submitted via email to your SLIMTC Relationship Manager or to your Certified UITF Sales Personnel, along with the required documents. All signed documents shall be treated as original copies.

Please write legibly using **CAPITAL LETTERS** then **sign the form** only when completely filled out.

CLIENT INFORMATION
Account Number
Date Accomplished (mm-dd-yyyy)

Note: For submission of this document as part of account opening, kindly leave this blank. Otherwise, please provide your account number

Client Name/s

By signing this document, I/we hereby confirm that:

a.) Prior to availing of the trust, investment management, and other fiduciary services of Sun Life Investment Management and Trust Corporation (“SLIMTC”) the client is hereby informed of the risks associated with the said services and products. The risks enumerated in this document is not meant to be exhaustive. For further information, you may get in touch with your Relationship Manager or send an email to SLIMTC.Communications.Notice@sunlife.com should you have any clarifications regarding for other related risks.

b.) The Investment Management Accounts, Trust Accounts, Other Fiduciary Accounts, and UITFs are not considered as deposit products and are not insured with and covered by the Philippine Deposit Insurance Corporation (“PDIC”).

c.) The investments do not provide guaranteed returns. When market and other conditions are unfavorable, the invested amount in whole or in part may lose its value.

For investments in the UITF, no return is guaranteed, even if invested in government securities and high grade prime investment outlets. The client’s principal and earnings from investment in the fund can be lost in whole or in part when the Net Asset Value Per Unit (NAVPU) at the time of redemption is lower than the NAVPU at the time of participation. Gains from an investment are realized when the NAVPU at the time of redemption is higher than the NAVPU at the time of participation.

d.) The investments can be through any or combination of three main asset classes namely:

i. **Fixed Income** - Fixed Income is an asset class that pays out fixed interest payment to investors, until its maturity date. At maturity, investors will be repaid the principal amount of the investment. Often, when investing in a fixed income instrument, an investor should be aware of the three important elements: (1) features like maturity date and coupon rate, (2) legal, regulatory and tax considerations and (3) contingency provisions or options that may affect the bond’s scheduled cash flows

ii. **Equity** - Equity is an asset class that represent ownership claims on a company’s assets. Unlike fixed income instruments, issuers of equity instruments are not required to repay the amount the amount it receives from investors. Issuers of equity are also not required to make periodic payments to shareholders for the use of their funds. Investors of equity instruments have a claim on the issuer’s assets once all the liabilities have been paid. Investors are thus considered owners of the issuing company

iii. **Global Funds** - Global Funds is an asset class that invests in pooled offshore assets such as, but not limited to, collective investment structure (CIS). CIS of pooled funds managed by a fund manager, for investment in various assets such as bonds, equities and cash, refers to different types. Examples of CIS are mutual funds, unit investment trust funds and exchange traded funds.

e. The client should carefully make its own assessment of the relevant markets and consider whether participating in these services will be suitable in the light of its own experience, financial circumstance, and investment objectives. It is important for the client to note that it is its responsibility to ensure that it has fully understood the nature of the characteristics of the services it wishes to avail and the risks related to these.

The services may involve a wide range of various securities and products, some of which may be more volatile and riskier than others. The client should therefore be aware of the inherent risks involved.

f.) In considering whether to enter these Services, the client should be aware of the following risk exposures for all asset classes:

i. **Market Risk:** This refers to current and prospective risk to client’s earnings or principal contribution arising from changes in the value of the client’s holdings of investment portfolios.

Market risk is inherent in Investment Management Accounts, Trust Accounts, Other Fiduciary Accounts, and UITFs and arises from dealing and position taking activities in interest rate, foreign exchange, equity markets and/or credit/swap spread, as applicable.

Securities being traded in the secondary market, have an inherent market risk. Security prices may rise or fall due to several factors. Such movements will affect the value of the capital of the investor.

a. **Interest rate risk** arises from differences between the timing of rate changes and the timing of cashflows (repricing risk); from changing rate relationships among different yield curves affecting fixed income (FI) activities (basis risk); from changing rate relationships across the spectrum of maturities (yield curve risk); and from interest-related options embedded in FI products (options risk).

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.

b. **Foreign Exchange Risk** is the risk of the underlying assets of the global fund asset class to lose value to currency fluctuations when the value of investments in securities denominated in currencies other than the base currency of the underlying asset depreciates. Conversely, it is the risk of the said underlying assets to lose value when the base currency of these assets appreciates.

c. **Country Risk** refers to the possibility for an investor to experience losses arising from investments in securities issued 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 devaluation, foreign ownership limitations and tax increases of the foreign country involved which are difficult to predict but must be considered when making such investments.

ii. **Credit Risk**: This refers to current and prospective risk to client's earnings or principal contribution arising from an obligor's failure to meet the terms of any contract with the trust entity or otherwise perform as agreed. Investment Management Accounts, Trust Accounts, Other Fiduciary Accounts, and UITFs can be exposed to credit risk from credit migration, defaults, and/or credit concentration.

Defaults and downgrades relating to investment activities such as issuer defaults, country downgrades, custodian and/or broker late or failed delivery, expose the portfolio to potential decline in value. Credit concentration or lack of diversification in the asset portfolio can also result in losses or adverse change in the financial situation. For Equity, this includes custodian and/or broker late or failed delivery.

iii. **Liquidity Risk**: This refers to current and prospective risk to client's earnings or principal contribution arising from inability to liquidate assets quickly with minimal loss in value. Investment Management Accounts, Trust Accounts, Other Fiduciary Accounts, and UITFs can be exposed to liquidity risk from trading in securities with small or few outstanding issues, absence of buyers, limited buy/sell activity, or underdeveloped capital market. Portfolios with derivatives are also exposed to liquidity risk from collateral requirements required under the derivative contracts.

iv. **Reinvestment Risk**: This is the risk associated with the possibility of having lower returns or earnings when maturing funds or 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 UITF 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.

v. **Operational Risk**: This refers to risk of potential losses arising from SLIMTC processes, people, and systems, and/or from external events.

vi. **Regulatory Changes**: There may be changes in laws and regulations that could have an adverse impact on the value and return of your investments, which may result in you losing all or part of your investments. These changes are outside the control of SLIMTC and it will not be liable for any loss you may incur as a result of said regulatory changes.

vii. **Potential Conflicts of Interest**: Client investments 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 of SLIMTC. These transactions may include; purchase of own-institution or affiliate obligations; 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.

viii. **Data Export**: The client's data may be hosted in a different country. There is a potential risk for data may face some level of vulnerability, regardless of where the server is located. These risks may involve breaches in data privacy and data security.

g.) **Other Risks:**

i. **Past Performance**: In case where past performance of a fixed income, equity or global fund instrument is being used to illustrate possible return, please be aware that past performance is not necessarily indicative of future performance. Any forecast on the economy, stock market, bond market and economic trends of markets should not be taken as a conclusive indication of the likely or future performance of the instrument. This transaction does not guarantee a yield, return or income. Past performance of the underlying reference is not a guarantee of future performance.

ii. **Complex Products**: Complex products such as derivatives are not suitable for all clients and are intended for experienced and sophisticated clients. There is a potential risk of loss of all or a substantial portion of the investment due to leveraging or other practices. There could be a mismatch between the change in the price of a hedge versus the change in the price of the exposure it hedges.

iii. **Taxation/ Changes in Taxation Rules**: Clients are advised to consult with their own professional advisers of the exact tax implications, appropriate tax rates, and any changes in tax laws or practice in its own jurisdiction.

CLIENT ACKNOWLEDGEMENT

By signing this document, you hereby attest that:

- a. You have fully read and understood this Risk Disclosure Statement and the nature and extent of the risks involved in the services and/or products you will avail from SLIMTC;
- b. You are willing to take all risks involved in the services/products;
- c. You have independently assessed and determined that the product or service is aligned with your risk tolerance, investment objectives, investment experience / sophistication, financial condition and needs, and personal circumstances. In the event that the product/transactions may not be aligned, you attest that you have been made aware of the risks and nature of the product/ services involved and have decided to proceed despite SLIMTC's assessment; and
- d. This document shall form part of the terms and conditions of the services and/or products that you will avail from SLIMTC.

(NOTE: For joint accounts, all accountholders must sign below. For institutional accounts, please sign according to the signing instructions of your institution.)

Primary Account Holder / Authorized Signatory (1)

Printed Name	Signature
Place of signing (City/Municipality, Country)	Date Signed (e.g. mm-dd-yyyy)

Secondary Account Holder / Authorized Signatory (2)

Printed Name	Signature
Place of signing (City/Municipality, Country)	Date Signed (e.g. mm-dd-yyyy)

Secondary Account Holder / Authorized Signatory (3)

<input type="text"/>	<input type="text"/>
Printed Name	Signature
<input type="text"/>	<input type="text"/>
Place of signing (City/Municipality, Country)	Date Signed (e.g. mm-dd-yyyy)

Secondary Account Holder / Authorized Signatory (4)

<input type="text"/>	<input type="text"/>
Printed Name	Signature
<input type="text"/>	<input type="text"/>
Place of signing (City/Municipality, Country)	Date Signed (e.g. mm-dd-yyyy)

Secondary Account Holder / Authorized Signatory (5)

<input type="text"/>	<input type="text"/>
Printed Name	Signature
<input type="text"/>	<input type="text"/>
Place of signing (City/Municipality, Country)	Date Signed (e.g. mm-dd-yyyy)

RELATIONSHIP MANAGER / CERTIFIED UITF SALES PERSONNEL ATTESTATION

- a.) Advised the client to read this Risk Disclosure Statement;
- b.) Encouraged the client to ask questions on matters contained in this Risk Disclosure Statement, and;
- c.) Fully explained the same to the client.

Relationship Manager / Certified UITF Sales Personnel

<input type="text"/>	<input type="text"/>
Printed Name	Signature
<input type="text"/>	<input type="text"/>
Place of signing (City/Municipality, Country)	Date Signed (e.g. mm-dd-yyyy)

RM/Advisor Code

NBO Code

<input type="text"/>	<input type="text"/>
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FOR SLIMTC USE ONLY

Signature Verified by

<input type="text"/>	<input type="text"/>	<input type="text"/>
Printed Name	Signature	Date (e.g. mm-dd-yyyy)

Approved by

<input type="text"/>	<input type="text"/>	<input type="text"/>
Printed Name	Signature	Date (e.g. mm-dd-yyyy)