

CLIENT SUITABILITY ASSESSMENT FORM FOR INSTITUTIONS

OBJECTIVE: This Client Suitability Assessment (CSA) is being conducted to help the marketing personnel / account officer determine the client's understanding of the risks related to investing. The marketing personnel / account officer shall:

1. Make a reasonable inquiry into the client's financial situation, investment experience, and investment objectives prior to making any investment recommendations, and shall update this information as necessary;
2. Consider the appropriateness and suitability of investment recommendations or actions for the client;
3. Make a recommendation only if he reasonably believes that the recommendation is suitable to the client's financial situation, investment experience, and investment objectives.

PART I: Basic Information

A. Client Name _____ **Reference: FDS Customer No.** _____

B. Composition of Client's Total Investments

Investment	Percentage to Total Investment
1. By Type of Investment	
a. Bank Deposits, T-Bills, BSP Special Deposit Accounts (SDA)	
b. Short Term Fund / Money Market Funds	
c. Government Bonds, Retail Treasury Bonds, T-Notes	
d. Long-term Negotiable Certificates of Deposit (LTNCDs), Corporate Bonds and Notes, Tier 2 Capital	
e. Fixed Income / Bond Funds (M2M UITFs / MFs)	
f. Balanced Funds (M2M UITFs / MFs)	
g. Equity Funds (M2M UITFs / MFs)	
h. Listed Stocks	
i. Alternative Investments (Derivatives, Linked / Structured securities)	
j. Private Equities	
TOTAL	100%
2. By Currency	
1. ₱PHP	
2. ₱USD	
3. ₱Other Currencies	
TOTAL	100%

PART II: General Assessment (Please choose only one answer.)

A. Investment Needs

1. **Investment Objective:** What is the company's key investment objective?
 - (a) To protect principal amount of investments and earn steady stream of interest income.
 - (b) To preserve capital or real value of investments.
 - (c) To achieve growth through a balance between interest income and capital gain over a medium term period.
 - (d) To achieve significant growth or capital appreciation over the medium to long term period.
2. **Investment Horizon:** What portion of the company's investment can be placed in medium or long term investments, i.e., more than 3 years?
 - (a) 10% to 30% (c) 70% to 80%
 - (b) 40% to 60% (d) 90% to 100%
3. **Liquidity:** Does the company have regular liquidity requirements?
 - (a) The company needs to draw regular income from its investments and may use a portion of the principal in the short term.
 - (b) The company does not need to draw regular income from its investments nor do the company see the immediate need to use any portion of the principal in the short term.
 - (c) The company has other sources of liquidity and do not see a real need to use funds for the next 5 to 10 years.
 - (d) The company has other sources of liquidity and do not see a real need to use funds for the next 10 years.

B. Risk Appetite

1. **Investment Knowledge and Experience**
 - a. What is the company's knowledge and experience on investments?
 - (a) Minimal. The company knows bank deposits, BSP SDA, T-bills and money market placements.
 - (b) Low. Outside deposits and short term government securities, the company has experience investing in money market funds such as corporate bonds and fixed income bonds.
 - (c) Medium. The company has experience investing in mutual funds, UITFs, foreign currencies and direct investment in listed stocks and bonds.
 - (d) High. The company has extensive experience in investing and has a broad understanding of the domestic and global capital markets in general.
 - b. How many years of experience does the company have with regard to investing in securities, either directly or through a fund manager?
 - (a) 1 year or less (c) More than 5 years up to 10 years
 - (b) More than 1 year up to 5 years (d) More than 10 years
2. **Risk Tolerance**
 - a. What is the company's tolerance for risk?
 - (a) The company accepts steady and minimal returns without any fluctuation in the principal amount of its investments.
 - (b) The company accepts minimal fluctuations in the principal amounts of its investments for commensurate returns.
 - (c) The company accepts a fair amount of fluctuation in the principal amount of its investments in order to achieve above average returns and capital growth over the medium term.
 - (d) The company is prepared for a high degree of volatility and possibly losses in the principal amount of its investment for certain periods in order to achieve high returns or capital growth over a period of 5 years or more.

- b. If the value of your portfolio decreased by 20% in one year, how would the company react?
- (a) The company will be very concerned and will immediately put its investment back to cash (i.e. in the form of deposits and/or short term government securities).
 - (b) The company will be very concerned and will find safer investment outlets, which are not necessarily cash.
 - (c) The company will be concerned and will review the aggressiveness of its portfolio.
 - (d) The company will NOT be concerned about the short-term fluctuation of certain investments in its portfolio.
- c. What is the company's average net worth for the last 2 years?
- (a) P 5 M (USD100,000) and below
 - (b) Over P 5 M (USD100,000) up to P 30 M (USD600,000)
 - (c) Over P 30M up to P 60 M (USD1.2M)
 - (d) Over P 60 M

For Pension & Provident Funds ONLY:

Is the company able to contribute to the Fund in accordance with the recommendation of the actuarial valuation report?

- (a) Seldom
- (b) Often
- (c) Most of the time
- (d) Always

C. Client Suitability Results - Risk Profile

Risk Profile : _____

- **Up to 70 points** **Conservative** - an investor who, when faced with two investments with a similar expected return (but different risks), will prefer the one with lower risk. A conservative investor dislikes risk and would settle for lower but fixed returns. The overriding concern is to protect principal amount of investments and earn a steady stream of interest income.
- **75 to 100 points** **Moderately Conservative** - an investor who seeks a relatively stable return on investment that is slightly higher than traditional term deposit and who is willing to take minor negative fluctuations in returns. Moderately conservative investors usually have to settle for modest investment growth which might make it difficult to meet long-term goals.
- **105 to 130 points** **Moderately Aggressive** - an investor who seeks a balance between growth in capital and income and who is willing to take negative fluctuations in returns. Moderately aggressive investors want to increase the value of their portfolios while protecting their assets from the risk of minor losses.
- **Over 130 points** **Aggressive** - growth and earning the highest returns are the main concerns of this investor. An aggressive investor is willing to take negative fluctuations in return including possible loss of initial investment.

Client Acknowledgment	Certified UITF Marketing Personnel/ Authorized Trust Account Officer Acknowledgement
<p>As the duly authorized representative/s of the company, I/we certify that the responses indicated on this document have been made directly by me/us and represent the best information about _____</p> <p>_____ (name of company). I/We understand that it shall be used as a guide for the marketing personnel / account officer to present and recommend investment alternatives to the company. I am/ We are aware that this type of investment does not provide guarantee against losses.</p> <p>I/We hereby also agree with the investment profile indicated above and the recommendation of the marketing personnel / account officer on the investment outlet suitable for the company's needs. For investments in UITF, if applicable, I/we have read and understood the general features of the UITFs with risk classification corresponding to the company's risk profile, and have made an informed decision to invest or consider future investments in these UITFs.</p> <p>This is also to confirm that I/we shall be formally notifying the marketing personnel / account officer should there be any change in the company's risk profile.</p> <p>Authorized Signature/s of Any Required Authorized Signatory/ies for _____ (name of company)</p> <p>✓ _____</p> <p>✓ _____</p> <p>✓ _____</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Date</p>	<p>We have explained in detail and discussed with the duly authorized representative/s of the Company the (1) results of the Client Suitability Assessment, (2) basis of our recommendation, and (3) terms and conditions of the recommended investment outlet/s.</p> <p>Conducted by : _____</p> <p style="text-align: center;">Signature over Printed Name</p> <p style="text-align: center;">Certified UITF Marketing Personnel/ Authorized Trust Account Officer</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Date</p> <p>Checked by : _____</p> <p style="text-align: center;">Signature over Printed Name</p> <p style="text-align: center;">Certified UITF Marketing Officer/ Authorized Trust Account Officer</p> <p style="text-align: center;">_____</p> <p style="text-align: center;">Date</p>

Notice to Clients Investing in Products with Lower Risks: At any time, clients may independently / directly invest in any one or more of the investment / trust products falling within or below the stated investment risk profile of the company. All such investments made shall be understood as duly implemented out of the client's investment preference and/or direction. Any claim, suit, action, loss, damage or expense, including loss of possible profit, shall be understood to be the result of the client's decision to invest in products with lower risks.

Reminder: The CSA shall be subject to review every three (3) years or earlier should there be any change in the company's financial circumstance or preferences prior to 3 years.

Part III: Risk Rating (To be accomplished by the Certified UITF Marketing Personnel/ Authorized Trust Account Officer)

1. Total Risk Score : _____ where,

Answer	No. of Answers	x Points	= Total Score per Answer
(a)		5	
(b)		10	
(c)		15	
(d)		20	
Total Risk Score			