

Fees involving secondary trades:

- Mapping Fee • Commission Fee
- Custodian Fee (for Corporate Bonds)

| CALCULATION (for New Clients) | | | |
|--|---------|--|----------|
| Outright Sale: Face Value : Php 100,000.00 | | | |
| Tenor : < 1 year (90 days) | | Tenor: > 1 year (where: 1 year = 364 days) | |
| Mapping Fee | | Mapping Fee | |
| If the remaining term < one year = 0.25 bps p.a. of the face amount based on the actual number of days/365 | ₱ 0.63 | If the remaining term > 1 year = 0.25 bps flat of the face amount. | ₱ 2.50 |
| Php 100,000.00 x 0.00025 x 90/360 = Php 0.63 | | Php 100,000.00 x 0.000025 = 2.50 | |
| Commission/Brokerage Fee | | Commission/Brokerage Fee | |
| If the remaining term < one year = 10bps p.a. of the face amount based on the actual number of days/360 | ₱ 25.00 | If the remaining term > one year = 10 bps flat or the face amount | ₱ 100.00 |
| Php 100,000.00 x .0010 x 90/360 = Php 25.00 | | Php 100,000.00 x .0010=Php 100.00 | |
| Custodian Fee* of 0.025% (for Corporate Bonds) | | Custodian Fee* of 0.025% (for Corporate Bonds) | |
| Face Value x 0.00025 x 90/360 | ₱ 6.25 | FORMULA: (FV x 0.00025% x actual number of days/360 x no. of CPN Payments (Face Value x 0.00025% x actual no. of days/360) x 2 | ₱ 25.00 |
| Total (for every P100,000) Php 31.88 | | Total (for every P100,000) Php 127.50 | |

Risk Related to the Product:

1. Certain securities may not be readily realizable. There is no guarantee that market traders would be prepared to deal in them. Information for determining their current value may also not be readily available.
2. Securities can be volatile and have an inherently high risk of loss. Relatively small adverse market movements may result in losses which equal or exceed any premiums paid (if any).
3. When liabilities in one's currency are matched by assets in another currency, or assets are denominated in a currency other than your default currency, fluctuations in exchange rates may positively or negatively affect the gains or losses experienced by the investment.
4. **Interest Rate Risk:** There is a possibility for investors to experience losses due to changes in prevailing interest rates. Under the marked-to-market method of valuing investments, daily changes in interest rates may affect the value of securities as there is an inverse relationship between interest rates and the value of fixed-income securities.
5. **Market Risk:** There is a potential for investors to experience losses due to changes in the market prices of securities over given time periods due to general market conditions, economic developments either locally or abroad, political events, natural calamities, etc. The movements in price may affect the investment positively or negative, and will be realized when the investment is sold.
6. **Re-investment Risk:** There is risk that the proceeds from the payment of principal and interest may have to be reinvested at a lower rate than the original. Call features affect an investor's reinvestment risk because corporations typically call their bonds in a declining interest rate environment.
7. **Tax Risks:** This is the risk that the administration of taxes may be more costly than previously foreseen due to changes in existing tax laws and practices.
8. **Liquidity Risk:** This financial risk stems from the inability to dispose or convert assets into cash immediately or at a loss. These situations may be caused by trading in securities with small or few outstanding issues, the absence of buyers, limited buying or selling activity, or an underdeveloped capital market.
9. **Foreign Exchange Risk:** The investment may be priced in a foreign currency and can be affected by changes in foreign exchange rates. These movements in exchange rates of the currencies of the investments against the investor's reference currency may reduce the yield which may be expected from the investment and have adverse effects on the profit/loss position of the client.
10. **Credit/Default Risk:** This risk can occur due to the borrower's failure to pay interest and/or principal in a timely manner. This inability of the borrower to fulfill his/her financial obligations may be due to adverse changes in their financial condition resulting in the lowering of the securities, credit quality and price. These factors can contribute to the difficulty in selling such securities.

| CLIENT ACKNOWLEDGEMENT | |
|--|--|
| BY SIGNING HEREUNDER, I/WE HEREBY ACKNOWLEDGE THAT I/WE HAVE COMPLETELY READ AND FULLY UNDERSTOOD THE RISK DISCLOSURE STATEMENT AND THAT THE SAME WAS CLEARLY EXPLAINED TO ME/US BY THE DESIGNATED BANK/BRANCH PERSONNEL. FURTHER, A COPY OF THIS HAS BEEN FURNISHED TO ME/US. | |
| <div>Primary Client/Authorized Representative Signature over Printed Name</div> | <div>Date Accomplished: (MM/DD/YYYY)</div> |

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