



PERSONAL MANAGEMENT TRUST (PMT)

Frequently Asked Questions

1. What is a Personal Management Trust (PMT)?

A Personal Management Trust (PMT) is a type of arrangement that is ideal for those who wish to preserve or grow their assets to answer for the current or future needs of the trustor and/or his beneficiaries.

PMT is a living trust, thus, it becomes operational during the lifetime of the owner of the account (trustor) or as soon as the agreement is accomplished.

A PMT may either be a revocable or irrevocable trust. A revocable trust is a type of trust wherein the trustor can change the terms of the account such as the beneficiaries and the stipulations after it has been created. On the other hand, an irrevocable trust cannot be modified after it has been created. Both types of trust have their advantages and disadvantages and have different tax implications.

The PMT should have a clearly stated purpose(s) for which the account is being established. Said purpose(s) shall be consistent with the general objectives of the PMT which is the preservation of the assets or property for the current or future needs or use of the designated beneficiaries.

2. Do I need to have a specific beneficiary/ies in my PMT account?

The trustor shall specify in the PMT agreement the names of his designated beneficiary/ies to the PMT account.

The beneficiary/ies can either be:

- ✓ The Trustor/s only
- ✓ Third-Party Beneficiary/ies
- ✓ Trustor/s and Third-Party Beneficiaries

The trustor may or may not nominate third-party beneficiary/ies. If there is one, the Trust Agreement must specifically state the names thereof. There is no maximum number of stated beneficiaries and they need not be related to the trustor by consanguinity or affinity.

3. What are the examples of objectives or grounds in which a PMT can be established?

Some of the examples that may be identified and defined in a PMT are, but not limited to:

- ✓ Living Sustenance (present and/or financial support)
- ✓ Present and/or future medical/health maintenance requirements
- ✓ Education
- ✓ Lifestyle Support, e.g. Travel and Recreation
- ✓ Gift-giving or Important Milestone
- ✓ Purchase of Personal and Real Properties
- ✓ Other financial needs or purpose which the trustor intends for the named beneficiary/ies

4. What are the benefits I will get from PMT?

With a Personal Management Trust, aside from maximizing the fund's earning potential through TBG's broad investment capabilities and experience, the trustor can arrange to have us perform any number of services for his account, now or in the future.

These personalized services could range from making payments while the trustor is abroad to providing full personal financial management if he suffers an incapacitating illness. A Trustor can also designate one or more beneficiaries to receive the assets of his trust account upon his death. Or, he can have his trust account continue beyond his lifetime, serving as a source of continuing income and support for his loved ones or his designated beneficiary/ies.

Establishing a PMT will bring peace of mind as it assures the attainment of specific objectives in response to a trustor's



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beneficiary/ies needs. Plus, with the guaranteed assistance and guidance of TBG’s seasoned Fund Managers, clients are certain that their customized investment portfolio is in accordance with their needs, risk tolerance, and investment profile. Through a PMT, clients can expect a professional fund and asset management, continuity of their legacy, and the protection of their well-earned assets.

5. What is the initial minimum amount to open a PMT account?

The minimum entry amount as well as maintaining balance for a PMT account is:

PhP: P100,000.00

USD: \$5,000.00

6. How to open a PMT account?

The basic steps to open a PMT account are the following:

- A. Before setting up a PMT account, a client should examine and establish his financial objective, and identify his beneficiary/ies. He should also consider and decide whether he shall be setting up a revocable or irrevocable PMT account. The amount of funds to be placed in the PMT is also an important consideration before the opening of the account. These considerations shall form part and must be specified in the Trust Agreement and its Dispositive Provisions.
- B. A client shall then undergo the Know-Your-Client (KYC) process through the assistance of a Trust Sales and Marketing Officer. Details of the PMT shall be discussed during this process. A Trust Agreement shall be drafted based on the information provided by the client.
- C. The Trust Personnel will also assist the client in determining his risk profile through the Client Suitability Assessment (CSA) and further explain the inherent risks of investing through the Risk Disclosure Statement (RDS). Through this process and forms, a personalized investment portfolio shall be crafted and be documented through an Investment Policy Statement (IPS). Clients are required to sign the said forms as confirmation that they agree to the result of the assessment and completely understood the risks involved in a PMT.
- D. Once all the required documents are submitted, the Trust Sales and Marketing Officer will provide the client a LANDBANK settlement account wherein he may deliver his initial placement for the PMT account through cash deposit, cheque, or bank fund transfer. This should only be transacted at the LANDBANK Head Office – TBG Cashier or through a LANDBANK branch.
- E. You will then be provided a copy of the following as evidence of your PMT placement:
 1. Trust Agreement
 2. Risk Disclosure Statement
 3. Investment Policy Statement
 4. Acknowledgment Receipt

7. What are the services to be performed by LBP-TBG under a PMT?

- A. Perform fund management activities
- B. Administer funds according to the agreement
- C. Disburse benefits to beneficiaries
- D. Prepare and submit relevant reports in compliance with regulatory requirements



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8. Can a client open a PMT through any LANDBANK Branch?

Because of the complexity of a PMT arrangement, only Trust personnel are allowed to process the opening of PMT accounts. Interested clients are therefore advised to contact our Sales and Marketing Officers at 84057119 for queries and clarifications before visiting a LANDBANK branch.

8. Is PMT the same as a Will?

No. The significant difference between a PMT and a will is that a PMT being a living trust is created and may become operational while the trustor is still alive and may even continue even after death. On the other hand, a will is effective only upon the trustor's death.

Other significant differences such as the requirement for probate may be discussed with our Trust Sales and Marketing Personnel.

9. What are the allowed investment outlets of PMT?

Some of the allowable investment outlets for PMT are special bank deposits, government securities, investment-grade private securities, and UITFs.

10. What are the documentary requirements to open a PMT account?

The PMT documentary requirements are the following:

- ✓ Valid government-issued ID
- ✓ 2x2 ID picture
- ✓ Birth Certificate or ID of beneficiary/ies
- ✓ Client Information Sheet and Specimen Signature Card (CISSC)
- ✓ Specimen Signature Card (SSC)
- ✓ Client Suitability Assessment (CSA)
- ✓ Reclassification or Risk Profile (if applicable)
- ✓ Risk Disclosure Statement (RDS)
- ✓ Investment Policy Statement (IPS)
- ✓ PMT Agreement

You may view/download a checklist of documentary requirements through:

<https://www.landbank.com/trust-banking/trust-products-and-services/personal-fund-management-arrangements/personal-management-trust>

11. What document will serve as proof that a client has a PMT account with LBP-TBG?

The trustor will be provided a copy of a duly executed PMT Agreement, Risk Disclosure Statement (RDS), Investment Policy Statement (IPS), and an Acknowledgement Receipt from TBG as proof of placement.

For more clarification and queries, you may call LBP-TBG's Trust Sales and Marketing Officers at 8405-7119, 8405-7100, and 8405-7761.

Trust Disclosure

Trust, Other Fiduciary and Investment Management Accounts are not covered by the PDIC and that losses, if any, shall be for the account of the client. Due to the nature of investment, yields, and potential yields cannot be guaranteed. 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 principal.