



Financial English

– Conversation –

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Banking - Trust



Leslie: Have you heard about trust?

Jason: Yep. Although it is something new in Taiwan,
it has been existing for hundreds of years in many countries.





Leslie: Really? What does “trust” mean?

Jason: It is an arrangement whereby property is transferred to a trustee, who administers it for the benefit of another party, a beneficiary.





Leslie: I see. A trustee is very important, isn't it?

Jason: Yes, of course.

A trustee must be very reliable as it holds and manages assets on behalf of a beneficiary.





Leslie: Who can act as a trustee?

Jason: Normally big banks or trust companies.





Leslie: Can you give me a few examples of trust?

Jason: Sure. Mutual funds in Taiwan are just an example.





Leslie: Why?

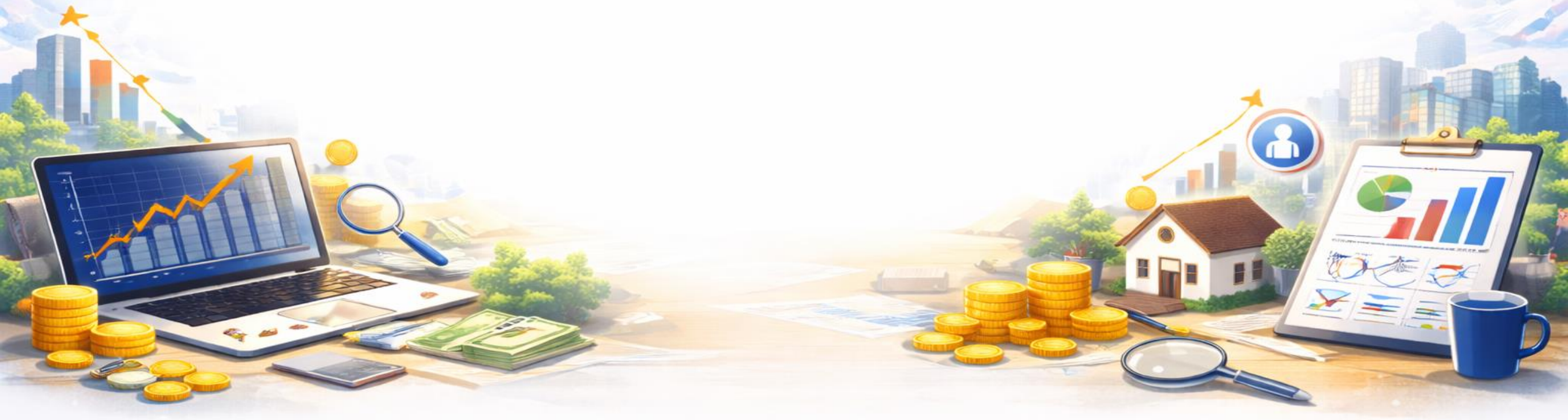
Jason: Because mutual funds issued in Taiwan are organized as trusts in which the custodian banks act as trustee and the investors are beneficiaries.





Leslie: I understand.

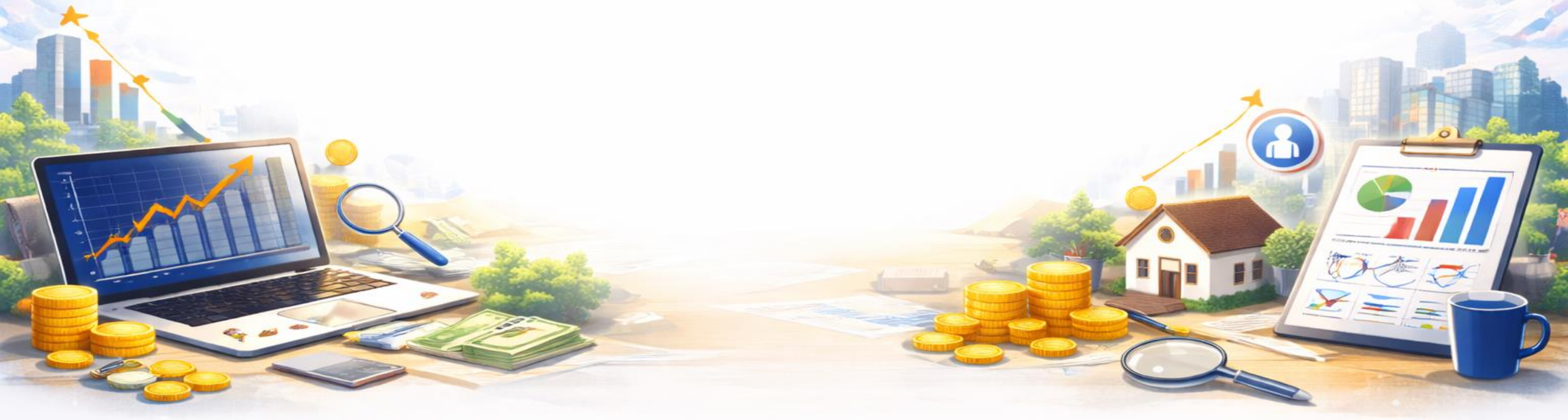
Jason: Real estate investment trusts are another example of trust.





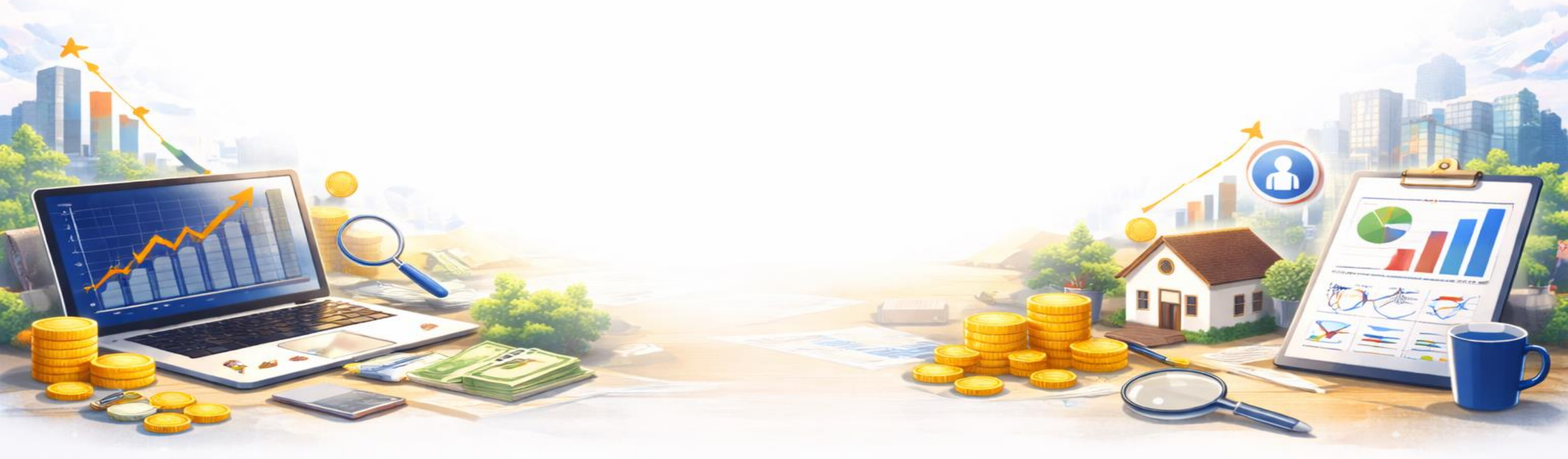
Leslie: Why do you know so much about trust?

Jason: Because my dad has been working in this area for many years.





Leslie: No wonder.



Example sentences

1. property

This typhoon has caused substantial loss of property.

2. transfer

I'd like to transfer half a million from my savings account to my checking account.

Example sentences



3. trustee

Trustees are chosen with an eye towards honesty and reliability.

4. administer

John is good at administering the R&D department.

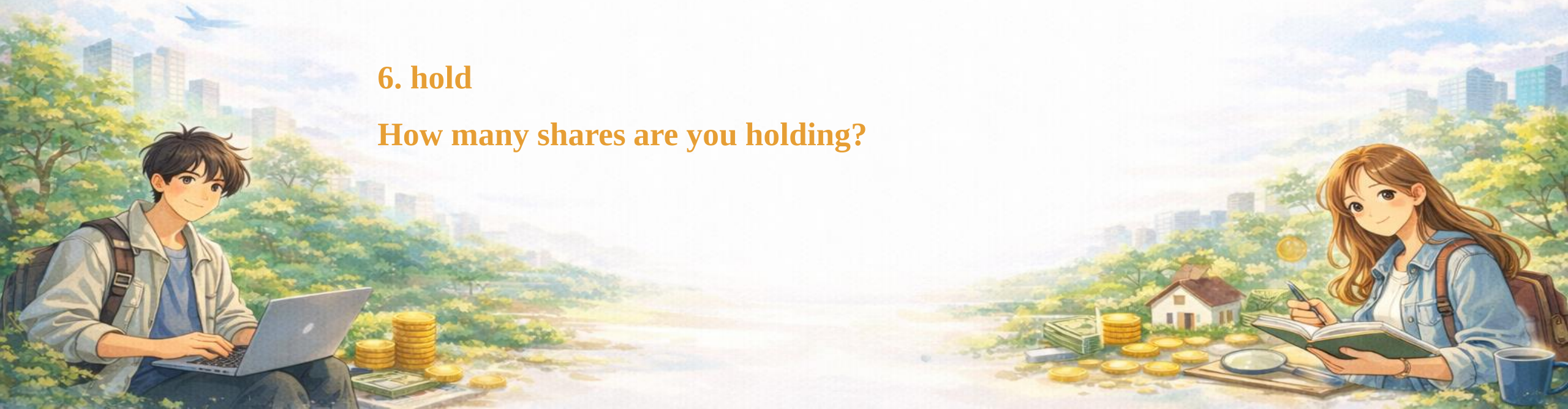


Example sentences



5. for the benefit of
I'm doing this for your benefit.

6. hold
How many shares are you holding?



Example sentences



7. on behalf of

I'll sign the contract on behalf of my children.

8. fiduciary relationship

A: Are they business partners?

B: No, they're in a fiduciary relationship.



Example sentences

9. trust deed

Please carefully go through the trust deed before you sign it.

10. investment trust

You'd better find a reputable investment trust instead of choosing one at random.

Example sentences

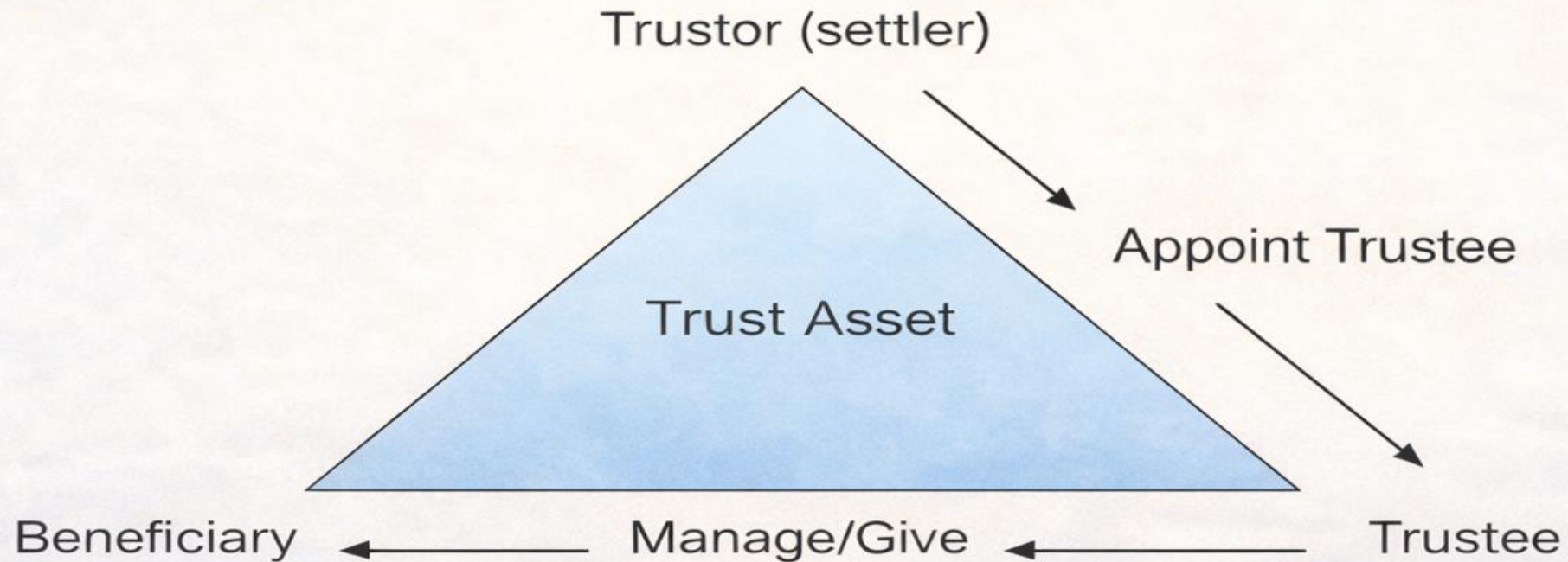


11. asset securitization

Asset securitization is becoming a new trend in many countries.



The structure of a trust



Trustor: the one who appoints the trustee and transfers his asset to the trustee

Trustee: the one who holds the title of trust asset and manages trust asset

Beneficiary: the one who enjoys the benefits derived from the trust asset

Key Vocabulary



1. trust
2. arrangement
3. property
4. transfer
5. trustee



Key Vocabulary



6. administer

7. for the benefit of...

8. beneficiary

9. reliable

10. hold



Key Vocabulary



11. on behalf of

12. trust company

13. mutual fund

14. custodian bank

15. real estate investment trusts (REITs)



Supplementary Vocabulary



1. settler
2. fiduciary relationship
3. collective trust fund
4. charitable trust
5. trust law
6. trust deed



Supplementary Vocabulary



7. investment trust

8. asset securitization

9. asset-backed securities (ABS)

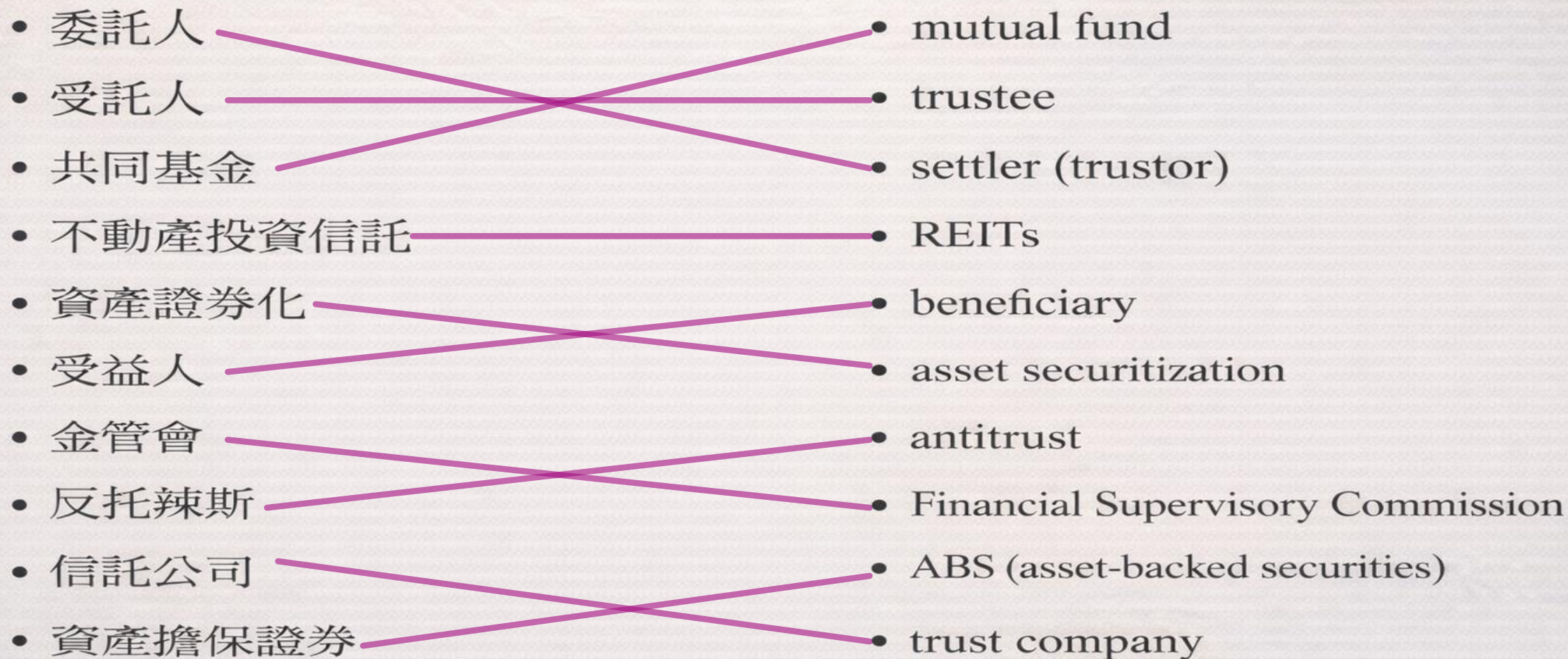
10. mortgage-backed securities (MBS)

11. Financial Supervisory Commission

12. Ministry of Finance



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- 委託人
 - 受託人
 - 共同基金
 - 不動產投資信託
 - 資產證券化
 - 受益人
 - 金管會
 - 反托辣斯
 - 信託公司
 - 資產擔保證券
- mutual fund
 - trustee
 - settler (trustor)
 - REITs
 - beneficiary
 - asset securitization
 - antitrust
 - Financial Supervisory Commission
 - ABS (asset-backed securities)
 - trust company