

## **UNIT INVESTMENT TRUSTS SUPPLEMENTAL PRINCIPAL PAYDOWN REPORT**

### **What Is A UIT Principal Paydown?**

Unit Investment Trusts (UIT's) are a specialized kind of investment company which assembles a fixed portfolio of securities (usually tax exempt municipal bonds) and then offers interest in that portfolio to the public. The minimum investment usually ranges from \$1,000 to \$5,000. The issues are purchased with the intent of holding them until maturity, usually twenty years or more. No new issues can be added to the trust. Therefore, the return on the investment remains the same until portfolio bonds mature, are called or are sold.

The firm that organizes the Unit Trust is known as its "sponsor". The sponsor buys a fixed amount of bonds for the trust and then closes the fund. The bonds are then deposited with the trustee, usually a bank, which provides services including issuance of certificates of ownership, safekeeping of the securities, interest collection and principal receipts for matured or called shares, and check processing for the distribution of interest and principal payments.

Sponsors may not add bonds to a portfolio once it is closed. However, they may advise the trustee to dispose of certain bonds under special circumstances that might adversely affect the value of the trust. These conditions include potential or actual default of principal or interest, institution of domestic lawsuits against an issuer, a decline in projected income pledged for debt service on revenue bonds, advance refunding (calls) and exchanges in a refunding offer.

The proceeds from any sale of redemption of bonds may not be reinvested in the trust. Instead, they are distributed to the unit holders as distributions of principal. The distribution of these principal amounts results in a corresponding decrease in the assets of the trust and a reduction in the value per unit.

Since these distributions are received as cash payments and since the asset value per unit is decreased for the distribution amount, it is necessary to include the values of these distributions in estate valuations for IRS 706 purposes.

Shown below is the alternate valuation for a portfolio containing a UIT issue. On the Date of Death, this issue was priced at \$23.52 per unit. On the Alternate Date, the price was \$13.82 per unit. This price decrease is due to two factors:

- Price volatility within the portfolio
- Principal paydowns of \$9.6302 per unit.

The unit investment trust principal paydown report shows the detail of the principal pay-downs for this issue.

### Date of Death Valuation

ESTATE TAX SECURITIES VALUATION										
PAGE 1										
ACCOUNT: SAMPL1										
NAME OF ESTATE: SAMPLE OF UIT PAYDOWN INFORMATION										
VALUATION DATE: OCTOBER 10, 1992 DATE OF DEATH: OCTOBER 10, 1992										
ITEM	CUSIP NO	SHARES PAR VALUE	DESCRIPTION	PRICE DATE	HIGH/ASK	LOW/BID	MEAN PRICE	SECURITY VALUE	ACCRUED DIV/INT	COMMENTS
1)	670968312	1,000	NUVEEN TAX EX UT TR SHRT UT SER 8 M	10/09		23.520	23.5199	23,519.90		OTC OTHER
			DIV \$0.1280 EX 10-01-92 REC 10-01-92 PAY 10-15-92						128.00	
			CARRYOVER ACCRUAL \$0.33/UNIT						330.00	
TOTALS								23,519.90	458.00	

**APPRAISE**

This report was prepared through APPRAISE, an EVALUATION SERVICES, INC. product. If there are any questions regarding this report, please contact EVALUATION SERVICES, INC. at (201) 784-8500

### Alternate Date Valuation

ESTATE TAX SECURITIES VALUATION										
PAGE 1										
ACCOUNT: SAMPL2										
NAME OF ESTATE: SAMPLE OF UIT PAYDOWN INFORMATION										
VALUATION DATE: APRIL 10, 1993 DATE OF DEATH: OCTOBER 10, 1992										
ITEM	CUSIP NO	SHARES PAR VALUE	DESCRIPTION	PRICE DATE	HIGH/ASK	LOW/BID	MEAN PRICE	SECURITY VALUE	ACCRUED DIV/INT	COMMENTS
1)	670968312	1,000	NUVEEN TAX EX UT TR SHRT UT SER 8 M	04/08		13.820	13.8199	13,819.90		OTC OTHER
			PRINCIPAL ADJUSTMENT: 10-10-92 THRU 04-10-93					9,630.20	128.00	
			DIV \$0.1280 EX 10-01-92 REC 10-01-92 PAY 10-15-92						330.00	
			CARRYOVER ACCRUAL \$0.33/UNIT							
TOTALS								23,450.10	458.00	

**APPRAISE**

This report was prepared through APPRAISE, an EVALUATION SERVICES, INC. product. If there are any questions regarding this report, please contact EVALUATION SERVICES, INC. at (201) 784-8500

UNIT INVESTMENT TRUST PRINCIPAL INFORMATION						
PAGE 1						
DATE PREPARED: 05-19-1995						
PORTFOLIO: SAMPL2						
NAME OF ESTATE: SAMPLE OF UIT PAYDOWN INFORMATION						
The items below are unit investment trusts which have made principal paydowns between the date of death and the alternate date. Since these principal paydowns have been included in the total above, please be certain you do not include these paydowns as separate cash entries for the portfolio.						
ITEM	CUSIP NO	SHARES	DESCRIPTION	AMOUNT	EXTENSION	
1)	67096831	1,000	NUVEEN TAX EX UT TR SHRT INTER UT SER 8 M			
			EX DATE 12-28-92 REC DATE 01-01-93 PAY DATE 01-15-93	6.6967	6,696.70	
			EX DATE 02-25-93 REC DATE 03-01-93 PAY DATE 03-15-93	2.9335	2,933.50	
TOTAL PRINCIPAL PAYDOWNS					9,630.20	

**APPRAISE**

This report was prepared through APPRAISE, an EVALUATION SERVICES, INC. product. If there are any questions regarding this report, please contact EVALUATION SERVICES, INC. at (201) 784-8500