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& X U U L F X B X P H H T X L U H P H W D V G B Q D L F L U R / a U B P H O R S F H V Q V G a U C H S X F F H V R Y a H U Q D Q F H
\$ F F U H G L W D R W L R Q / a R R O B S P H U R W L S D H P L H Z a D Q Q I Q X J J H S W L F O J H 2 W W G H D U J U H H G

1 R W H & R S L H V R I W K H) L Q D O \$ J H Q G D 5 H V R O X W L R Q V D Q G O D
P H H W L Q J F D Q E H I R X Q G L Q W K H 0 D W H U L D O V I R O G H U I

& & 6) \$ F D G H P L F 6 H Q D W H ([H F X W L Y H & R X Q F L O
0 L Q X W H V D Q G 6 R X Q G 5 H F R U G L Q J

: H G Q H V G D \ O D \ S P

/ R F D W L R Q = R R P P H H W L Q J K W W S V F F V I H G X] R R P X V
3 K R Q H L Q I R R U 0 H H W L Q J , '

& R X Q F L O 0 H P E H U V 3 U H V H Q W \$ E L J D L O % R U Q V W H L Q 0 R Q I D %
& D U O V R Q (U L N & K U L V W L D Q V R Q \$ P \ ' i D] , Q I D Q W H (N D W U L Q
. L P E H U O \ . H H Q D Q 1 L F R O H 2 H V W . U X S) D Q Q \ / D Z 6 L P R Q D Q V
6 W H S K D Q L H 0 D F \$ O O H U - H D Q H W W H 0 D O H 0 L F K H O H 0 F . Q] L H
0 X H O O H U - R H 5 H \ H V / L V D 5 R P D Q R 0 L W U D 6 D S L H Q] D / X 6 F K
6 W H S K H Q V R Q) U H G H U L F N 7 H W L . D W U \ Q : L H V H
% H U Q V W H L Q + R O O \ 6 W H Y H Q V - H D Q Q H . H D U V O H \ - H V V L F D % X
. H Q Q \ 9 H U E H F N P R H V . H Y L Q 6 K H U P D Q / D Q F H O R W . D R / D X U H Q
6 L P R Q / L O \ \$ Q Q 9 L O O D U D] D / L V D 9 H O D U G H / R U H Q (G Z D U G V R
+ L O O D Q 0 D U \ % U D Y H Z R P D Q 0 D W W ' X F N Z R U W K 0 H J D Q 6 Z H H Q
1 D W K D Q 6 W H H O H 1 X D O D 6 K H H W] 0 L F K H O O H 6 L P R W D V \$ Q J H O
1 L F R O H % D U H Q V ' U 3 D W U L F L D 1 X Q O H \ \$ Q G U H Z . L Q J 6 W H S K D
% L G G O H F R P H , D Q ' X Q F D Q 0 D U L D 9 D V T X H] ' H Q L V H 6 H O O H F N

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* X H V W V ' D Y L G 0 D U W L Q & K U L V W L Q H + D Q V R Q ' D U O H Q H \$ O L R V
< H H 0 D Q G \ / L D Q J : H Q G \ 0 L O O H U

, &DOO WR 2UGHU PLQ
\$:H DFNQRZOHGJH WKDW ZH DUH RQ WKH XQFHGHG DQF
5DPD\WXVK 2KORQH ZKR DUH WKH RULJLQDO LQKDELW
3HQLQVXOD \$V WKH LQGLJHQRXV VWHZDUGV RI WKLV
WKHLU WUDGLWLRQV WKH 5DPD\WXVK 2KORQH KDYH
IRUJRWWHQ WKHLU UHVSQRVLELOLWLHV DV WKH FDU
DOO SHRSOHV ZKR UHVLGH LQ WKHLU WUDGLWLRQDO
UHFRJQLJH WKDW ZH EHQH1W IURP OLYLQJ DQG ZRUN
KRPHODQG :H ZLVK WR SD\RXU UHVSHFWV E\ DFNQRZ
HOGHUV DQG UHODWLYHV RI WKH 5DPD\WXVK &RPPXQ
VRYHUHLJQ ULJKWV DV)LUVW 3HRSOHV

,, \$GRSWLRQ RI \$JHQGD PLQ

,,, 3XEOLF &RPPHQWPLQ

6KHUL 0LUDJOLD \$FDGHPLF &DOHQGDU ZRXOG
ZKHQ \RX DUH XVLQJ &DQYDV DQG FUHDWLQJ PRG
E\ ZHHN LI \RX FKDQJH WKH VWDUW GDWHV IURP
:HGQHVGDI\ LW FUHDWHV D ORW PRUH ZRUN WR F
\RX DUH DOVR FRQFHUQHG DERXW WKLV SOHDVH
SHUKDSV WKLV LV VRPHWKLQJ WKDW FDQ EH WDN
\HDU
-HVVLFD %XFKVEDXP 3LQN 6OLSV /D\R3V &KDLU
DQ HPHUJHQF\ PHHWLQJ WRPRUURZ E\ WKH &KDQF
UHFHLYHG LQIRUPDWLRQ WKDW)7() ZLOO EH FXW
KDYH ODLG R3 IXOO WLPHUV RQ WKHLU UROOV 7K
PDMRU FXWV WR FODVVHV IRUH[DPSOH FODVV
HQUROOLQJ 7KLV ZLOO FUHDWH FRQIXVLRQ DQG
7KHVH DUH VWXGHQWV WKDW DUH HVVHQWLDO ZR
WKH &KDQFHOOHU KDV VDLG WKDW UHVVVLJQ WLF
R3VHW WKH IDFXOW\ ZRUNORDG LQ WKH VFKHGXO
ZKHQHYHU D IDFXOW\ PHPEHU WDNHV RQ UHVVVLJ
ZLOO EH FXW ,W IHHOV WKDW ZH DUH WKURZLQJ R
VROH SXUSRVH RI UHGXFLQJ IDFXOW\ RQ RXU SD\
+DUU\ %HUQVWHLQ)DUHZHOO 6LPRQ RQ \RXU C
3UHVLGHQW :RXOG OLNH WR NQRZ LI WKHUH DUH
H[SHULHQFHG OD\R3V WKLV \HDU WKDW GLG QRW
WKH LPSDFW RQ WKHLU GHSDUWPHQW DQG FHUWL

% VXUSOXV LQ WKH 6WDWH EXGJHW 7KH 8QLW
SURGXFHG WH[W WR EH FRQVLGHUHG E\ YRWHUV L
HVSHFLDOO\ WKDW WKH 2OGHU \$GXOWV SURJUDP
SURPLQHQWO\ EHFDXVH LW LV WKRXVDQGV RI SH
UHPRYHG
6WHYHQ %URZQ :HOO ZLVK DQG DSSODXG WR 6LP
WKH \$6(& IURP WKH ODVW FRXSOH RI \HDUV :DQW
SUHYLRXV IDFXOW\ RQ WKHLU FRPPHQWV RQ WKH
LQIRUPDWLRQ WKDW ZH EURXJKW WR WKH WDEOH
VHHPV WR KDYH EHHQ WDNHQ LQWR FRQVLGHUDW
QRW UHDOO\ FDOO WKLVD FRQVXOWDWLRQ \$ ORV

VR WKHUH ZLOO EHD QHW ORVV RI SRVLWLRQ
'&& 0HHWLQJ 7RPRUURZ 0HHWLQJ LV WR SUR
GH1QLWLYH JXLGDQFH WR QH[W VWHSV IRU W
QRZ WKDW WKH 0DUFK OD\R3V KDYH EHHQ F
7KDQNV WR WKH \$6(& 24FHUV DQG 6HQDWH DV
\RXU SDUWQHUVKLS DQG WKDQNV WR 3UHVLG
\RXU OHDGHUVKLS LQ WKLV UROH
6LPRQ 4XHVWLRQV :H ZLOO SUHVHQW D WHP
LQXVLRQD GRZJQ 10 UpRCH W TV008FOA\$HDD2500570FH C

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FODVVHV GHSHQGLQJ RQ FRQYHUVDWLRQV W
SODQ WR GR RXWUHDFK WR WKHVH VWXGHQW
NQRZ RI UHODWHG FODVVHV WKDW WKH\ FDQ
KDYH DQ DQVZHU DV WR KRZ WR PLWLJDWH WK
HYHU\ VWXGHQW EXW SODQ WR ZRUN ZLWK 6V
WR EHJLQ DQG FRQWLQXH WR GR WKLV ZRUN V
VXPPHU , DSSUHFLDWH WKH TXHVWLRQ _ +R
SHRSOH WKDW VSHDN &DQWRQHVV 6SDQLVK
24FHUV 5HSRUWV PLQ
3UHVVLGHQW +DQVRQ
7KH \$6(& KDV EXGJHW SURFHVV XQGHU WK
SXUYLHZ :KDW \RX KDYH VDLG LV WKDW S
ZH KDG WR FRPSOHWH WKH OD\R3 SURFHV
VHFRQGDULO\ GHDO ZLWK WKH LPSDFWV
SURJUDPPHQJ 7KDW GRHV QRW SXW RXU
DV WKH SULPDU\ DQG LW DOVR PDNHV LW
EHFDXVH RXU FKDLUV KDYH VFKHGXOHG V
LQ)HEUXDU\ ZKDW QH[W \HDU V LQVWUX
EXGJHW ZDV IURP ZKDW WKH\ ZHUH JLYHQ
\HVWHUGD\ V 3* & %XGJHW &RPPLWWHH PH
VDZ WKH RQO\ EXGJHW VKDUHG ZLWK XV D
VKDUHG DV D VFUHHQVKRW :H KDYH DGYF
WULHG WR H[SUHVV RXU YRLFH WR VD\ WK
LQIRUPDWLRQ VKRXOG EH SUHVHQWHG LQ
EXW LW VHHPV ZH DUH FRQWLQXLQJ D GH
H3HFW RI QRW UHOHDVLQJ LQIRUPDWLRQ
FOHDU RQ KRZ RXU EXGJHW SURFHVV LV Z
7KLV LV H[WHQGLQJ QRZ LQWR SRWHQWL
UHGXFWRQV ZKHQ ZH KDYH DOUHDG\ RSI
IRU HQUROOPHQW \$FFRUGLQJ WR %RDUG
WHQWDWLYH EXGJHW VKRXOG KDYH JRQH
E\ OD\ DQG WKH\ UHTXHVWHG LW LQ \$SUL
SURFHVV ZH KHDUG \HVWHUGD\ LV WKDW
QRW RSHQ IRU LQ SXW RQFH LW KDV FRPH
WKH H[FHSWLRQ RID 1QDO EXGJHW PD\ KI
DGMXVWPHQW WKDW LW DOVR WKH EXGJHW
WKDW ZH DUH XVLQJ WR SODQ RYHU WKH V
VFKHGXOH SRVLWRQV 7KLV LV IDFLOLW
LQVWDELWLW\ +RZ GR ZH 1[WKLV EHFDXV

DGYRFDWHG WKURXJK UHVROXWLRQV DQ
IRU D FROODERUDWLYH EXGJHW SURFHVV
SRVLWLRQ ZKHUH ZH DUH PRYLQJ IDUWKH
IURP WKDW DV ZH FRQWLQXH WR WDNH H
DXWKRULW\ WR JHW D EXGJHW DSSURYHG
GHVWDELQJ]LQJ IRU QH[W \HDUVV 24FHU
DVVLJQPHQWV <RX EULQJ XS UHDOO\ JRI
DQG LI , ZHUH WR SURMHFW LQWR ZKDW W
ORRN OLNH LV WR GHYHORS UHDOLVWLF V
VFKHGXOLQJ RXU JRYHUQDQFH PHHWLQJ
WKLV DQG KROGLQJ RXUVHOYHV DFFRXQ
WLPHOLQH 7KLV \HDU WKH 0DUFK SUR
ELJ TXHVWLRQ PDUN RQ WKLV WLPHOLQH
H[SHFW WR JR WKURXJK WKLV QH[W \HDU
QRW HYHU KDYH WR DJDLQ :H ZRXOG WKH
D QRUPDO F\FOH ZLWK WHQWDWLYH EXGJ
)HEUXDU\ , NQRZ LQ WKH FXUUHQW VHPH
EXGJHWV ZHUH JLYHQ LQ)HEUXDU\ DQG V
FKDQJHG LQ UHVSHFW WR OD\R3V \$ORQJ
VXSSO\ EXGJHWV ORRN LQJ DW DYDLODE
UHYLHZ IXQGV ODE DLGHV VR JHWWLQJ
LQIRUPDWLRQ RXW LQ)HEUXDU\ DQG EXL
EXGJHW DORQJ WKDW WLPHOLQH +RSH Z
LQYROYHG WKH 6HQDWH ZLWK RXU JRYHU
JURXSV :H GLG JHW)HEUXDU\ EXGJHWV R
DGYDQFH RI WKH \HDU SULRU DQG ZH ZHU
JHW RXU IDOO VFKHGXOH XS WKUHH ZHHN
ODVW \HDU EXW LWVV VWLOO QRW SHUIH
GHYHORSHG WLPHOLQH EXW KDYH QRW
FRPPLWWHG WR PDNH VXUH RXU JRYHUQD
DUH RUJDQL]HG WR PHHW LQ DGYDQFH W
WLPHOLQH :H QHHG WR DV D FDPSXV WR C
WLPHOLQH DQG DOVR LGHQWL1\ ZKDW QH
WKDW WLPHOLQH FDWHJRULFDO IXQGV
ZRQVW EH SHUIHFW EXW KRSH WKHUH LV I
LPSURYHPHQW VFUHHQVKRW WKDW ZDV V
ODVW \HDU VKRZV WKDW ZH DUH UHFHLYL
PRQH\ EXW LW LV QRW VKRZLQJ ZKHUH WK
LV JRLQJ LW RQO\ QRZ VKRZV VSHQGLQJ

LQFRPH \$W WKLVSRLQW WKH \$6 LV FRQW
WR SDUWQHU LQFOXGLQJ DVNLQJ IRU SR
DQG GHSDUWPHQWDO EXGJHWV IRU WKH
XQWLO QH[W IDOO ZH ZLOO EH EDFN DW W
ZLWK GHSDUWPHQWV VD\LQJ WKH\ KDYH C
ZKDW WKHLU EXGJHW ZDV ,W FDQVW EH D
DERXW GRLQJ EHWWHU QH[W \HDU LWVV
FRQWURO QRZ +RSH ZH FDQ 1QG PRUH
SDUWQHUVKLS RQ WKH DFWLRQV ZKHUH V
PDNHV UHVROXWLRQV ZLWK DW OHDVW FR
ZLWK ZKDW LV IHDVLEOH 7KH DFWLRQV K
SODFH QRZ
7KLV \HDUVV \$6(& SDVVHG RYHU UHVRO
ODVW \HDU LW ZDV DURXQG 2YHU WKH
DQG QH[W \HDU WKH &RXQFLO ZLOO QHH
WR SD\ DWWHQWLRQ WR WKH RXWFRPHV F
WKHVH UHVROXWLRQV OLIHORQJ OHDUQ
VWXGHQW YRLFH &XUULFXOXP &RPPLWW
VWXG\RQ FRPPXQLW\ DFFHVV WR +HDOWI
:HOOQHVV HWF (QFRXUDJH FRXQFLOPH
UHYLHZ WKH UHVROXWLRQ SDJH WR VHH Z
LQ SURJUHVV DQG IROORZ
:H KDYH WKUHH DFWLYH :RUN *URXSV ())
7UDLQLQJ DQG &RQVWLWXWLRQ
/LVW&RIRUGLQDWRUV LV VWLOO EHLQJ FR
KRSH WR KDYH D IXOO OLVW E\ WKH QH[W
PHHWLQJ
\$FFUHGLWDWLRQ 6WDQGDUGV :H KDYH Z
, 6 \$F UH \$ R U W E X M E X 5 0 Td <002F004C00560057>Tj /



PHPEHUV WR DWWHQG

\$6(& 6XUYH\ WKLVLV VSHFL1FDOO\ IRU F

PHPEHUV WR FDSWXUH IHHGEDFN

/HQQ\ &DUOVRQ LV HQGLQJ KLV WHUP WKI

UHWLUHV &KHFNRXW DQG 100 RXW WKL

DQG D /LH VXUYH\ DERXW /HQQ\

*UDWLWXGH WR QHZ DQG UHWXUQLQJ

FRXQFLOPHPEHUV DQG (OHFWLRQ &RPPL

GXULQJ VXFK D WXPXOWRXV WLPH 2QH

UHDVRQV IRU WKDW LV HDFK RWKHU %LJ

&KDG DQG \$P\ IRU WKHLU VHUYLFH WKLVLV

\RX KDYH OHG ZLWK WKH &HQWHUV DQG 1

DQG VWXGHQW FHQWHUHG \$P\ WKDQN \

EULQJLQJ \RXU KHDG DQG KHDUW WR WKL

WKH FRQWLQXHG UH2HFWRU RQ VXSSRU

DQG VWXGHQWV RIFRORU 6LPRQ ZH ZLO

FRPPLWWHG UHIHUHQFHV WR H3HFWRU D

JDWOLQJ JXQV DQG PL[HG PHWDSKRUV ,C

FHOHEUDWLRQ DQG JUDWLWXGH KHUH D

7KH \$6(& XQGHU \RXU OHDGHUVKLS SDVVI

UHVROXWLRQV LQ PRQWKV ZRUNHG ZL

GL3HUHQW &KDQFHORUV JDYH WHVWLP

ODZVXLWV DQG JDYHERDUG UHSRUWV H

+LV UHFDOO RIDGPLQLVWUDWLYH DQG E

LV XQZDYHULQJ DQG KH OHG WKH \$6(& W

JOREDO SDQGHPLF <RXU FRPPLWPHQW W

HGXFdwLRQ DQG WUDQVSDUHqF\ LV RXW

\RX KDYH UHdG 6LPRQVV DOO IDFXOW\ HP

ZDV DYHUDJLQJ ZRUGV DQG WKH KLJKH

RYHU :DQW WR HQG DV \RX HQG \RXU

LQ +HDOWK DQG +RSH IRU \RX

QG 93 &KDG 6WHSKHQVRQ

7KDQN \RX DQG ZDQW WR FRQFXU ZLWK RV

DDFRODGHV

0\ WLPH DV DQ R4FHU KDV DFWXDOO\ EHH

ERRVWHU DQG DV FKDOOHQJLQJ DV WKHV

PLJKW ORRN IRU WKRVH ZKR KDYH QRW VH

ZDQW WR H[SUHVW WKDW LW LV UHZDUGLQ

WKDQN WKH R4FHUV IRU PDNLQJ LW VR

5HVROXWLRQV 6RPH R4FHUV KHUH KDYH
WKH GL4FXOW\ RI UHVROXWLRQV QRW EH
WR DQG WKLW FDQ IHHO GLVHQFKDQWLQ
HQFRXUDJH SDUWLFLSDWLRQ +RZHYHU
UHVROXWLRQV DOVR GRFXPHQWV WKH FK
XQGHUJRQH DQG VKRZV WKH YRLFH RI WK
SDUW RI JRYHUQDQFH RI WKLW FROOHJH
ZKR ZHUH LQYROYHG KDYH FRQWULEXWH
KLVWRU\ RI WKLW FROOHJH (QFRXUDJH D
FRPLQJ WR WKH \$6(& WR UHYLHZ WKHVH
7KH ORVV RI 57& DQG \$OH[LV /LV]VN\ DV
&RRUGLQDWRU IRU WKDW JURXS FRQFHU
PRYH LQWR VXPPHU)RU WKRVH RI XV QR
WR • ZHUH DOO WKH DOOL ðp°À` KDYHWKL



\$VVRFLDWHG 6WXGHQWV UHSRUW PLQ
1RQH DW WKLW WLP
() :RUNJURXS 8SGDWHV PLQ
+DV EHHQ PHHWLQJ DOO \HDU 7KH JRDO ZDV V
FULWLFDOO \ DW WKH FXUUHQW () IRUPDW DQ
FRPPXQLFDWH PRUH H3HFWLYHO \ DQG ZLWK F
FROOHJLDOLW \
:H KDYH SXW WRJHWKHU D &DQYDV VKHOO WK
IRU ZRUN RQ WKLW ,W LQFOXGHV GLVFXVVL
FXUUHQW DQG QHZ FRXQFLO PHPEHUV DUH HG
WR FRQGXFWD VXPPHU VRIW ODXQFK
7KHUH DUH LQVWUXFWLRQV IRU KRZ WR XVH W
7KH SODQ LQ WKH IDOO LV WR HQUROO DOO ID
DQG IDFXOW \ FDQ VXEVFULEH WR GLVFXVVL
WKH VKHOO LI WKH \ DUH QRW LQWHUHVWHG
:RXOG OLNH WR FRQFOXGH WKH ZRUN RI WKH Z
DQG SDVV WKH FROOHJLDOLW \ SURPSWV DQG
&DQYDV VKHOO WR WKH QHZ LQFRPLQJ FRXQF
DQG R4FHUV
:LOO EULQJ D UHPLQGHU DERXW WKLW EDFN L
&RPPLWWHH RQ &RPPLWWHHV UHSRUW PLQ

9 &RQVHQW \$JHQGD LQ
\$ \$SSURYDORI 0LQXWHV IURP 0D \

5HVROXWLRQ	\$ \$SSURYDORI 0LQXWHV 0D \
5HVROYHG WKDW WKH ([HFXWLYH &RXQFLO DSSURYHG WKH P	
\$G:R S W H H G E \ O F R Q W H Q M U R P & R P P L W W H H V	

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1RPLQDWLRQV WR &RPPLWVHHV ZLWK 8QOLPLWHG PHPEHUVK
1RQFUHGLW \$GXOW (GXFDWLRQ &RPPLWVHH
6WHSKHQVRQ &KDGZLFN /LEUDU\ ERWK FUHGLW DQG C
UH DSSRLQWPHQW
6FKRODUVKLS
:HLO 0HOLQGD \$VWURQRP\ FUHGLW 2FHDQ UH DSSR
*DUFLD \$GULDQD 1HZ 6WXGHQW &RXQVHOLQJ ERWK FU
UH DSSRLQWPHQW
%URZQ 6WHYHQ (QYLURQPHQWDO +RUWLFXOWXUH)OR
UH DSSRLQWPHQW

1RPLQDWLRQV WR &RPPLWVHHV ZLWK /LPLWHG PHPEHUVKLS
(GXFDWLRQ 3ROLFLHV
9DVTXH] 0DUOHQ (QJOLVK FUHGLW 2FHDQ QHZ DSSR

1RPLQDWLRQV WR \$6 :RUNJURXS 7DVN)RUFHV 'LVWULFW /H
)RUFHV :RUNJURXS
7HFKQRORJ\ &RPPLWVHH
\$ODQL] 0LFKHOH /LEUDU\ ERWK FUHGLW DQG QRQFUH
2V/HDU\ 'DQLHO &RPSXWHU 6FLHQFH FUHGLW 2FHDQ
+XRW %R (6/ ERWK FUHGLW DQG QRQFUHGLW 2FHDQ
0HPEHU
'HQQHK\ 'D\DPXGUD (6/ ERWK FUHGLW DQG QRQFUHGL
DSSRLQWPHQW \$OWHUQDWH

)DFLOLWLHV &RPPLWVHH
%URZQ 6WHYHQ (QYLURQPHQWDO +RUWLFXOWXUH)OR
UH DSSRLQWPHQW

\$GRSWHG E\ FRQVHQW

& 5HD4UPDWLRQ RI [5HVROXWLRQ](#) % &RQWLQXL
[\(\[HFXWLYH &RXQFLO \\$XWKRULW\ WR +ROG 9LUWXDO 0](#)
' 5HVROYHG WKDW WKH \$FDGHPLF 6HQDWH DSSURYHV V
'D\DPXGUD 'HQQHK\ DV 'LVWDQFH (GXFDWLRQ &RRUG

5HVROXWLRQ ' \$SSRLQWPHQW RI 'LVWDQFH (GXFDW
&RRUGLQDWRUV IRU \$<

5HVROYHG WKDW WKH \$FDGHPLF 6HQDWH DSSURYHV WKH DSS
'D\DPXGUD 'HQQHK\ DV 'LVWDQFH (GXFDWLRQ &RRUGLQDWRUV

\$GRSWHG E\ FRQVHQW

(\$GRSWLRQ RI \$6 (OHFWLRQV 5HSRUW ZLWK DSSHQ

5HVROXWLRQ (\$GRSWLRQ RI WKH \$FDGHPLF 6HQ
(OHFWLRQV 5HSRUW ZLWK \$SSHQGL[

5HVROYHG WKDW WKH \$FDGHPLF 6HQDWH RI RI ZLWK WKH •

DEOH WR GHPRQVWUDWH WR SHRSOH PDNLQJ GHF
FRPPLWPHQW WKDW WKH IDFXOW\ KDYH PDGH WR
LPSRUWDQW VHUYHU EXW KDYH QRW KHDUG EDFN
\$QRWKHU UHVROXWLRQ ZDV WR VXSSRUW GHSDUW
FODVVHV RQOLQH '/\$& XSGDWHG LWV UXEULF WR
IRU RQOLQH WUDLQLQJ DQG DQ\RQH ZKR GRHV QR
DXWRPDWLFDOO\ JR WR WKH WRS RI WKH OLVW IR
GLUHFV UHVSQRVH WR DQ \$6(& UHVROXWLRQ
5HVRXUFHV ZH DOVR DVNHG IRU PRUH UHVRXUFH
'HSDUWPHQW WR VXSSRUW WKLV YHU\ KLJK QHHG
6HSDUDWLQJ '(\$ &XUULFXOXP &RPPLWWHH ZH D
UHVROXWLRQ VHSDUDWLQJ WKH '(\$ IURP WKH RQC
DOUHDG\ UHYLVHG LWV R4FLDO FRPPLWWHH GHVF
DQG '(\$V ZLOO EH UHYLHZHG E\ WKH &XUULFXOXP
'(\$ VXEFRPPLWWHH
5HVROXWLRQ SDVVHGRQ \$SULO WK ZLWK LQSXW
WRJHWKHU D SRWHQWLDO SODQ IRU D UHYLVHG W
FXUUHQW VWDWXV RI WKH UROOLQJ DGPLVLRQV
EHWZHHQ DOO WKH 2QOLQH 7UDLQLQJ ZRUNJURX
5HLQWURGXFWRQ RI 5ROOLQJ \$GPLVLRQV WR \$
ZKR KDYH DOUHDG\ FRPSOHWHG ,27/ DQG KDYH DV
FODVVHV RQOLQH IRU RQH VPHVWHU '/\$& ZLOO S
SXW WKHP LQ WRXFK ZLWK 2/(7 WR PDNH VXUH WKI
WR WUDLQ IDFXOW\ RQ WKLV UROOLQJ DGPLVLRQ
DGPLVLRQV D IDFXOW\ KDV DOUHDG\ GHYHORS
WKH\ VXEPLW DQ DSSOLFDWLRQ IRU D QHZ WUDLQ
HOLJLELW\ DQG WKH IDFXOW\ PHPEHU PRYHV L
WKH\ VXFHVIXOO\ FRPSOHWH WKHLU WUDLQLQJ
VPHVWHU

%HQH1WV 7KLV VDYHV RQH VPHVWHU RI WL
GHSDUWPHQWV 7KLV DOVR UHGXFHV WKH UH
,Q FRPSDULQJ WKLV UHVROXWLRQ WR WKH 2/(
WKH LWHPV DUH LQ DOLJQPHQW WKRXJK ZH Q
ZKLFK ZH ZLOO GR RYHU WKH VXPPHU
5RDGPDS ,Q VXPPHU FUHDWH D PRFN XS IRU V
SURFHVV DQG SUHVHQW WKLV LQ HDUO\ IDOO
HOLJLEOH IDFXOW\ LQ WKH IDOO VPHVWHU Z
SLORW ,Q 6SULQJ KRSH WR KDYH D PRUH
SUHVHQW

9,, 1HZ %XVLQHV 6SHFLDO RUHQ RI EXVLQHV
\$ /HVVRQV IURP ([HFXWLYH &RXQFLO GLVFXVVL
7LPH IRU OHDYLQJ FRXQFLO WR UH2HFW DFNQRZ
WKHLU VHUYLFH ERWK RQ WKH FRXQFLO DQG WR
KWWSV MDPERDUG JRRJOH FRP G 5+ : /3 LOB8
EV =BD\F=G]]]LK27]SI3R HGLW"XVS VKDULQJ

7KDQN \RX WR WKH RXW JRLQJ &RXQFLO DQG 24FH
5HYLHZ RI WKH *RDOV IRU KHDOWKLHU FRP
VDIH VSDFH LQ WKH \$6(& NHHSLQJ RXU PHHWLQJ
LPSURYLQJ UHJLVWUDWLRQ DQG EXLOGLQJ DPR
PHHWLQJ IRU DOO YRLFHV XSGDWLQJ WKH FRQV
EXLOGLQJ 'LVWDQFH /HDUQLQJ SROLFLHV DQG SU
KRVH DUH ZKDW \RXVYH KHDUG DERXW WRGD\ DV
VWDUWHG LV RQJRLQJ
'RQVW WKLQN ZH ZRXOG KDYH JRWWHQ DV IDU DV
QRW KDYH VXFK DQ H[FHOHQW &RXQFLO DQG 24F
ZKR SLFNHG XS WKLW ZRUN DQG UDQ ZLWK LW
/HQQ\ &DUOVRQ WKDQN \RX IRU \RXU LQFUHG
5HYLHZ RI WWZR WUXWKV DQG D OLHX DERXW /HQ
D FKLOG FRQRUWLRQLVW EXW LV YHU\ 2H[LEOH
/HQQ\ ZDQWV WR WKDQN 6LPRQ IRU KLV WUHPHQG
DV \RX VSRNH IRU PDQ\ RI XV LQ KLV DGGUHVW WR
7KDQNV DOVR WR 0LWUD &KDG DQG \$P\ 2QH RI W
FROODERUDWLRQV ZDV ZLWK 'U 5DPRQD &RDWHV
)OH['D\ ZRUNVKRSV DQG ZLOO GR D UHSULVH RI W
&LYLO 5LJKWV 0RYHPHQW 7KDQN \RX IRU QRPLQD
6WUDQEDFN \$ZDUG , ZDV KLUHG DW &&6) E\ 1L
DQG EHJDQ LQ -DQ RI DQG EHJDQ SDUW WLPHD
LQVWUXFWRU :DQW WR DFNQRZOHGJH -HVVLFD D
FRPPHQWV WRGD\ 7KDQN \RX WR 0DGHOLQH 0XHC
FKDLU RI WKH 0XVLF 'HSDUWPHQW 0DGHOLQH KD
WR PH \$Q\WKLQJ RI FRQVHTXHQFH , KDYH GRQH D
URRWV LQ P\ UHODWLRQV KLS ZLWK 0DGHOLQH 6W
PLVVLRQ RI WKH \$6(& DQG KDYH EHQH1WHG IURP Z
DOO RI \RX 0DQ\ KDYH KHOSHG PH DORQJ WKH ZD
%URZQ 'DUOHQH \$OLRWR 6WHYHQ %URZQ)UDQ
DQG 'DZQD +D\HV 7KHVH IRONV KDYH WKH LQVWL
PHPRU\ 0LFKHOH 0F.HQ]LH ZKR EHFDPH P\ JXLGH

GLJLWDO SDQGHPLF ZLOGHUQHVV DQG SURYLGHC
DVVLVWDQFH LQ SRSXODWH P\FODVVHV ZLWK -D]
/DEUHFTXH D PDVWHU WURXEOHVKRRWHU JHQH
YDVWO\RYHUF RPPLWWHG DQG WKH EHVW IULHQ
WLPHV RIFULVLV IRUWXQDWHO\WKLQJ KDYH EHF
WKH ODVW IHZ\HDUV ,QWKHFRPLQJ\HDUV ,ZLO
MXVWLFH LVVXH DQG FRPSRVH PXVLF \$VDIH KD
SURGXFWLYH IXWXUH WR DOO SOHDVH VWD\LQW
7HUPLQJ RXW RI WKH &RXQFLO WKL VHPHVWHU D
DQG .DWLD)XFKV)DQQ\ /DZ -RH 5H\HV 0DQ\RIW
ZHUH FRQVFULSWHG WR EH RXU (OHFWLRQV &RPP
DOVR OLNH WR DFNQRZOHGJH WKDW \$ELJDLO %RU
'iD] ,QIDQWH 1LFROH 2HVW 6WHSKDQLH 0DF\$OO
0DOH DUH DOVR HQGLQJ WKHLU WHUPV RI VHUYLF
5RXQG RIDSSODXVH IRU HYHU\RQH ,IZH ZHUH LQ
%URZQ ZRXOG EH EULQJLQJ WKH PRVW DPD]LQJ E
ZH ZLOO RQH GD\ EH EDFN LQ SHUVRQ DQG SDVV W
OLIH
:LOO YLUWXDOO\ SDVV WKH JDYHO QRZ WR 6WHYH
(OHFWLRQ

% 6HDWLQJ RI WKH _ ([HFXWLYH &RXQFLO SURFH
24FHUV (OHFWLRQ &RXQFLO ZLOO GHWHUPLQH WKH R
PHHWLQW DGGLWLRQDO GHWDLOV RQ UHVS RQVLELOLWLHV RI W
'XWLHV D&& /RFDO 6HQDWHV +DQGERRN

&RQWLQXLQJ PHPEHUV DUH 0RQLFD %RVVRQ :\QQ
.LPEHUO\ .HHQDQ -HVVH .ROEHU 'DQD -DH /DEUH
0LWUD 6DSLHQ]D 0LFKH OH 6LHJOLW] &KDG 6WHS
.DWU\Q :LHVH DQG 0DGHOLQH 0XHOOHU
1HZ FRXQFLO PHPEHUV ZLOO EH \$GDP 'V\$FTXLVLW
'XFNZRUNWK /DZUHQFH (GZDUGVRQ .DWKHULQH
+LOODQ 7KRPDV .HQQH G\ 6KHUL 0LUDJOLD 0DGH
5RQDOG 3DJH , , &DURO\Q 3ULHVWO\ /RX 6FKXEHU
:LOVRQ DQG 7DQLFK\D :RQJSUDVHUW
&RQJUDWXODWLRQV \RX DUH QRZ VHDWHG DV QH
)URP RXU &RQVWLWXWLRQ WKH 24FHUV RI WKH &
3UHVLGHQW VW 93 QG 93 DQG 6HFUHWDU\DQG
LPPHGLDWHO\ DIWHU WKH QHZ FRXQFLO LV VHDW

D IXOO WLPH WHQXUHG IDFXOW\ PHPEHU :H ZLOO
HDFK SRVLWLRQ RQH DW D WLPH EHJLQQLQJ ZLW
7DOO\ 9RWH
1RPLQDWLRQV IRU 3UHVVLGHQW 0LWUD 6DSLHQJ]
E\ &KDG 6WHSKHVRQ 0LWUD DP YHU\ WKDQNI
DQG H[FLWHG WR OHDUQ IURP DOO RI \RX DQG WR
&LW\ &ROOHJH DV EHVW ZH FDQ 6LPRQ GRQVW JF
(OHFWHG E\ \$FFOLPDWLRQ
1RPLQDWLRQV IRU VW 9LFH 3UHVVLGHQW /RX 6FK
0RYHG 'DQD -DH /DEUHFTXH 6HFRQGHG 0RQLFD
0LUDJOLD DFFHSWHG 1RPLQDWHG E\ 0LWUD 6DS
.DWU\Q :LHVH /RX ZLWKGUDZV KLV QRPLQDWLRQ
WR VHUYLQJ ZLWK 0LWUD DQG RWKHU R4FHUV QH
(OHFWHG E\ \$FFOLPDWLRQ
1RPLQDWLRQV IRU QG 9LFH 3UHVVLGHQW /RX 6FK
1RPLQDWHG E\ 0RQLFD %RVVRQ 6HFRQGHG .DV
.DXIP\Q DFFHSWHG 1RPLQDWHG E\ 0LWUD 6DSL
.DWH)UHL 5RQDOG 3DJH DFFHSWHG 1RPLQDW
0F.HQ]LH 6HFRQGHG : \QG .DXIP\Q
:\QG ZLWKGUDZV QRPLQDWLRQV DQG KRSHV WKDV
RI WKH \$4UPDWLYH \$FWLRQ 7DVN)RUFH DQG ZDQV
OHDGHUVKLS
/RX KDYH EHHQ ZDLWLQJ IRU PDQ\ \HDUV WR UXQ
SRVLWLRQ DQG KDYH EHHQ ZDLWLQJ IRU P\NLGV
+DYEHHQ LQWHUHVLUK\WURXQG \HDUV DJ
HOHFWHG ORRN IRUZDUG WR SHUVHYHULQJ RXU F
WRJHWKHU IRU RXU VWXGHQWV
5RQDOG 3DJH ZLWKGUDZV QRPLQDWLRQ
:\QG QRPLQDWHG DJDLQ E\ 5RQDOG VHFRQGE\0
&ROOHJH EHOLHYH IDFXOW\ YRLFH LV LQFUHGLE
GHGLFDWHG WKH ODVW \HDUV WR LQFUHDVLQJ
GLYHUVH FRPPXQLW\ FROOHJH DQG ZDQW WR UHE
SODFH DJDLQ 5ROO &DOO 9RWH /RX 6FKXEHUW
6HFUHWDU\ 1XDOD 6KHHW] DFFHSWHG 1RPLQDV
6HFRQGHG .DWU\Q :LHVH ODVW \HDU RU WZR RU
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WKH &RXQFLO IRU D \H DU QRZ DQG KDYH OHDUQH
\$P LQ %(0\$ DQG UHSUHVHQW &7(DQG DP DQ DGMX
EULQJ IRUWK DOO RI WKRVH OHQVHV DQG ZRXOG E
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\HDU WKHUH ZHUH VXPPHU PHHWLQJV 3* & PH
RWKHU 7KXUVGD\ SP 3* & QRPLQDWLF
WDEOHG WR QH[W PHHWLQJ WKH VFKHGXOH I
KDV QRW EHHQ VHW \HW
7DEOHG PRYHG VHFRQG HG
&RPPLWWHH RQ &RPPLWWHH SRVLWLRQV RWK
WDEOHG XQWLO QH[W)DOO
7RP PRYHG WR WDEOH 6HFRQG HG .LPEHUOV
3DUOLDPHQWDULDQ SRVLWLRQV QRPLQDWHG

ORYHG E\ \$FFOLPDWLRQ

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\$JHQGD LWHPV FRXQFLO GLG QRW JHW WR WKLV \HDU ZKLFK PD

&UHGLW IRU 3ULRU /HDUQLQJ :RUNJURXS ,PSOHPHQWDWL
(QGRUVHPHQW RI [7HFKQRORJ\ \\$GRSWLRQ 5XEULF ZKLFK](#)

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