

5HSRUW WR	7UXVW %RDUG F	\$JHQGD 6)7 LWHP
'DWH RI 0H	\$XJXVW	

5HSRUW 7LW	5HYDOLGDWLRQ	%RDUG 5HSRUW
6WDWXV	,QIRUPDV	'LVFXVV \$VXUDG \$SSURYDO
	;	
3UHSDUHGE\	'U &KULVWLQH %ODQVKDUG 0HGLFDO 'LUHFWRU	
([HFXWLYH 6S SUHVHQWLQ\	ROXRU+DUJUHDYHV 'LUHFWRU RI 2UJDQLV DWLRQ	
\$SSHQGLDHW LI DSSOLFDEOH		

([HFXWLYH 6XPPDU\
,Q \$SULO 1+6 (QJODQG SXEOLXVHG DWVXUHQFH IRW UHYD ZKLFK UHTXLUHV 5HVSQRVLEOH 2IILFHUV 52V WR SURGXFH W WKH %RDUG RI WKHLU 'HVLJQDWHG %RG\ LQ D SUHVFULEHG IR H[HFXWLYH WR VLJQ D VWDWHPHQW RI FRPSOLDQFH WR EH VX 2IILFHU 7KLV UHSRUW GHVFULEHV WKH QXPEHU RI GRFWRUV Z 7UXVW WKH QXPEHU RI FRPSOHWHG DSSUDLV DWKH ZLSKULDL WDK TXDOLW\ DVVXUDQFH SURFHVV DQ\ ILWQHVV WR SUDFWLFH LV DSSUDLVDO DQG UHYDOLGDWLRQ SURFHVV

5HYDOLGDSQQRDO %RDUG 5HSRUW

([HFXWLYH VXPPDU\

,Q \$SULO 1+6SKEOLDQPHZRUN IRU TXDOLW\ DVVXUDQFH
UHYDOLGDWLRQ ZKLFK UHTXL52HW5HS/SRQVEE WHK 2IUUFDHQQXDC
RQ UHYDOLGDWLRQ IRU WKH %RDUG RI WKHLUDGGLWQDIWHG %
FKDLUPDQ RU FKLHI H[HFXWLYH WR VR JEH DV X EFDLWHPHHG WW RR IWF
OHYHO 5HVSQRVLEOH 2IILFHU 7KLV UHSRUW GHVFULEHV W
SUHVFILEHG FRQQHFWLRQ WR WKH 7UXVW WKH QXPEHU RI
DSSUDLVDO \HWK DSSUDLVDO DVVXUDQFHLSURFHVWR
SUDFWLFH LVVXHV LGHQWLILHG DQG DQYDOL&BWZRQK SURFH

3XUSR VH RI WKH 3DSHU

7KLV SDSHU VHUYHV WR JLYH DVVXUDQFH WR WKH %RDUG RI
UHYDOLGDWLRQ SURFHV LV EHLQJ FDUULHG RXW LQ DFFRU
IUDPHZRUN

%DFNJURXQG

0HGDYDOLGDWLRQ ZDV ODXQFKHG LQ WR VWUHQJWKH
UHJXODWHG ZLWKP SURYLQJ WRK TXDOLW\ RI FDUH SURYL
LPSURYLQJ SDWLHQW VDIHW\ DQG LQFUHDVLQJ SXEOLF WU
SURIHVVLQR

3URYLGHU RUJDQLVDWLRQV KDYH D VWDWXWRU\ GXW\ WR V
GLVFKDUJLQJ WKHLU GXWLHV XQGHU WKHDG SRQVLEOH
H[SHFGVWKDW SURZLGGURERDUMBM FRPSOLDQFH E\

- x PRQLWRULQJ WKH IUHTXHGF\ DQG TXDOLW\ RI PHG
RUJDQLVDWLRQV
- x FKHFNLQJ WKHUH DUH HIIHFWLYH LQVWKPHV FRO SODWH
DQG SHUIRUPDQFH RI WKHLU GRFWRUV
- x FRQILUPLQJ WKDW IHGEDFN IURP SDWLHQWV LV VRX
YLHZV FDQLQIRUP WKH DSSUDLVDO DQG UHYDOLGDW
DQG
- x QVXULQJ WKDW DSSURF\PHQWESURHFNFXQG FOXGLQJ
SUHQJJDJHPHQW IRU /RFXPV DUH FDUULHG RXW WR
SUDFWLWLRQHUV KDYH TXDOLILFDWLRQV DQG H[SHUL
SHUIRUPHG

*RYHUQDQFH \$UUDQJHPHQWV

7KH OHGLFDO 'LUHFWRU LV WKH 7UXVWQVSRQVLEOHXWAIM
HQVXUH WKDW GRFWRUV SDUWLFLSDWZKLEKDEHQQXDC
UHTXLUHPHQWV IRUKUHYDOKSDWLRQ D SRWHQWLDO FRQIOL

¹ 7KH OHGLFDO 3URIHVVLQR 5HVSQRVLEOH 2IILFHUV 5HJXODWLRQV
µ7KH *HQHUEDDQXQFLOV/R/3UDFWLVH DQG 5HYDOLGDWLRQ 5HJXO
&RXQFLO ¶

DSSHDUDQFH RI ELDV LQ DFWLQJ DV DQ 52 GRU DQ DRMHG KH G
ERG\ WKH 7UXVW LV UHTXLUHG WR DSSWLEDMHQQBEMHUUQAW
IRU 6DOLVEXU\)RXQGDWLRQ 7UXVW VLQFH WKH DGYHQW RI
7KH 5HVSQRVLEFOXVQMLXHU WKDWLOYSODHVRDEWDLQLQJ DQG
DFXW RI DOO DYDLODEOH LQIRUPDWLRQ UHODWLQJ WR W
SUDFWLVH LQ WKH ZRUN FDUULHG RXW E\ WKHQ SUIDFWLWLR
DQ\ RWKHUQERXGLQJ RWKHU 7UXVWV LQGHSHQGHQW VHFW
RU DLDVDWLRQV GXULQJ WKH DSSUDLVDO SHULRG
6KH DQVR

0 ` eT KH GHV

xÃ ðQL @! &,,€

E HQVXUH WKDW SURFHGXUHV DUH LQ SODFH WR DG
SDWLHQWV RU VWDII RI WKH GHVLJQDWHG ERG\ R
VRXUFH

F HQVXUH WKDW DQ\ LQYHVWLJDWLRQ LQWR WKH FR
PHGLFDO SUDFWLWLRQHU WDNHV LQWR DFRXQW
ZLWKLQ WKH GHVLJQDWHG ERG\

G FRQVLGHU WKH QHHG IRU IXUWKHU PRQLWRULQJ R
DQG SHUIRUPDQFH DQG HQVXUH WKDW WKLV WDNHV

H HQVXUH WKDW D PHGLFDO SUDFWLWLRQHU ZKR LV
WKLV SDUDJUDSK LV NHSW LQIRUPHG DERXW WKH S

I HQVXUH WKDW SURFHGXUHV XQGHU WKLV SDUDJUDSK
PHGLFDO SUDFWLWLRQHU FRPPHQW WR EH VRX
ZKHUH DSSURSULDWH

7KH 7UXVW KDV DSSURSULDWH SROLFLHV DQG SURFHGXUHV
&RQGXFWDQ 3SHUIRUPDQFH RI ~~FRXUW~~ ~~SROLFLHQ~~ ~~GLVHFW~~ ~~WLM~~ ~~QW~~ ~~O~~
UHYLHZ ZH DOVR KDYH D FRPSS ~~SROLFLHQ~~ VLYH 5PHGLDWLRQ

- x :KHUH DSSURSULDWH UHUU FRQFHUQV ~~DERXW~~ ~~WKH~~ ~~WKH~~ P
*HQHUDO 0HGLFDO &RXQFLO
- x 5:KVSROLFLHQ ~~TXR~~ ~~VMT~~ ~~À~~ ~~HW~~ ~~VA~~ ~~UR~~ ~~P~~ ~~Q~~ ~~V~~ ~~KH~~ *0& IRU LQIRUPDWLRQ

'RFWRUV VWUXJJOLQJ WR HQJDJH ZLWK WKH DSSUDLVDO
JXLGHG WKURXJK WKH SURFHVV

,Q DGGLWLRQ VKH DFWV DV D VRXUFH RI H[SHUW DG YLFH I
DSSUDLVDO SURFHVV V\HVSRUW\XQJ\ZKHU DQG GHFH DQG JXLGH
ZRUNV ZLWK DSSUDLVHUV DQG DSSUDLVHHV RQ FRQWLQXR
DSSUDLVDO SURFHVV

\$GPLQLVWV\HVSRUW WR WKH 52 DQG DSSUDLVDO OHDG LV E
ZKR LV UH\SRQVLE

x (QVXULQJ WKDW WKH OLVW RI GRFWRUV ZLWK D SU
GHVLJQDWHG V\HVSRUW DQG FRFURVWUHQFLQJ LW ZLWK
HOHFWRUQHFRVWDI (65

x 'HDOLQJ ZLWK TXHULHV DERXW WKH DSSUDLVDO DQG UH

x 7UDLQLQJ DQG VXSSRUWLQJ GRFWRUR\OLQJ WKH XVH RI W

x 5HPLQGLQJ GRFWRUV ZKHQ WKHLU DSSUDLVDO LV GX
FRPSOHWH LW LQ D WLP\PDQGHU

x +HOSLQJ HQVXUH WKDW GRFWRUV WDNH UHOHYDQW FO
WKHLU DSSUDLVDO

x 6XSSRUWLQJ WKH 52 LQ DVVXULQJ VKH KDV DFFHVV W
QHHGV WR PDNH D UHYDOLGDWLRQ UHFRPPHQGDWLRQ
PDQGHU

\$IWHU VL\ HDUV LQ WKH SRVW 0V -DFTXL &RRSHU KDV UHV
YDFDQW

\$SSUDLVHUV DUH UHVSQVLEOH IRU

x (QVXULQJ WKH\ DUH WUDLQDWH\ZLWKHSKXSDSSUD
UHTXLUHPHQWV IRU UHYDOLGDWLRQ 7KLV LQFOXGHV
DSSUDLVDOV SUHWH\DLQWDLQ WKHLU VNLOOV

x (QVXULQJ WKDW DSSURFWRUPPHWV WKH UHTXLUHPHQW
DQG SURYLGLQJ DVVXUDQFH WR WKH 52 WKDW WKLV L
DSSUDLVDO RXWSXW IRUP ZKLFK FRQILUPV FRPSOLDQFH

\$SSUDLVHHV DUH UHVSQVLEOH IRU HQVXULQJ\WKDW WKH\
PHWV WKH UHTXLUHPHQWV IRU UHYDOLGDWLRQ DQG IHH
DSSUDLVDO\WKHGXDWLW\ DQG YDOXH RI WKH DSSUDLVDO

\$Q DQQXDO DSSUDLVDO PXVW EH FRPSOHWHG RQ RU EH
DSSUDLVDOUHV ZLWK DSSUDLVDOV LV PRQLWRUH E\ WKH
PRQWKO\ PHWLQJ DQG DQ\ GRFWRUV ZKR KDYH QRW FRP
DQQLYHUVDU\ RI WKHLU SUHYLRXV DSSUDLVDO\WKH VHQW
SURJUHVV WKH\ DUH WRFURVWUHQFLQJ WKH WKH DGP
VXSSRUW WKHP LQ FRPSOHWLQJ WKHLU SRUWROLR LI WKL
WKH GRFWRU DQG RIIHU PRUH LQ\ZHOOLYHPV\SSWKW GRFWR
SDUWLFLSDWLRQ LQ DQ DQQXDO DSSUDLVDO SURFHVV LV E
UHTXLUHPHQW\PHWV OLFHQFH WR SUDFWLFH PHGLFLQH \$V D
LQIRUPHG\PHWV ZLWK WKH DSSUDLVDO SURFHVV

D 3ROLF\ DQG *XLGDQFH

2XU DSSURFWRUPPHWV IRU PHGLFD VWDII UHPHGLDWLRQ SROL
SROLF\ KDYH DSSURFWRUPPHWV\ZLWKLQ WKH ODVW HDU 2XU UHPHGL
XVHG DV DQ H[DP\SOH RI EHVW SUDFWLFH E\ 1+6(DQG ZH KD

WKH VHFWL RQJ BQH QW LQ WKH DSS KDDQ GDDQ SR DR QFHUQV S
ZLOO UHTXLUH IXUWKHU XSGDWLQJ LQ OLQH ZLWK QDWLRQD
FRQVXOWDWLRQ

0HGLFDO \$SSUDLVDO

D \$SSUDLVDO DQG 5HYDOLGDWLRQ 3HUIRUPDQFH 'DWD
)RWKH DSSUDLVDO \HDU

GRFWRUV KDG D SUHVFULEHGDFRQJOLFLWFDQWWRWKFR7USOM
WH SUHYLRXV \HDU LQFOXGLQJ FRQVXOWDWLRQ\ R6\$6 GR
VKRWMDEVBø DQP^SQ WRUK p 7UV ` MGRDP` HDUFE S 0L

H LRQ(E V °€0p0UDLVD@"r`RQÅ ULWVBø™g`@P(E p@ ÄÄVVL0 À pPp 0D P.V WD

	1XPEHU RI G	1RW VLJQHG	2XW RI GDW
&6)6			
6XUJHU\			
06.			
0HGLFLQH			

\$W WKH WLPH RI ZULWLQJ DSSUDLVDO KVDROWH B BXH W Q G QZ MZURH DS
WR GHOD\ KDV QRW EHHQ JUDQWHG DUH DV IROORZV

*UDGH	'LUHFWRUDWH	/DVW DSSUDLVDO
/RFXP FRQVXOW	VXUJHU\	1RY
0LGGOH JUDGH	06.	-DQ
&RQVXOWDQW	06.	-DQ
&RQVXOWDQW	0HGLFLQH	1RY
&RQVXOWDQW	0HGLFLQH	-DQ

\$OO RI WKHVH GRFWRUV DUH EHLQJ PDQDJHG LQ OLQH ZLWK
DSSUDLVDO DQG UHYDOLGDWLRQ SROLF\ 2QH FRQVXOWDQW
WR GRQDJH PHQW ZLWK WKH DSSUDLVDO DQDQGHU HFYRDO\XGDWLRQ
ZDV IRUPDOO\ PDQDJHG BXOQGHPHROXU SURFHVV DQG KDV VLQFH
KLV DSSUDLVDO

(IIRUWV DUH XQGHUZD\ WR UHFRYHU DSSUDLVDO SHUIRUPDO

2QO\ QLQH GRFWRUV ZHUH GXH IRU UHYDODGDWLRQ GXULQJ
GRFWRUV ZHUH UHYDOLGDWHG SHHWLZLHG UHYDODGDWLRQ
UHFRPPHQGDWLRQ ZDV PDGH LQ DOO RI WKHP

1R GRFWRUV ZHUH LQYROYHG LQ UHFRYHUWLRQ RQH SURFHMHG
DSSUDLVDO RZHYHU VRPH FRQFHUQWL EORRWWRWKHZSWHD LGHQWLILH
RXU JRYHUQDQFH SURFHVVHV

7ZR GRFWRUV HHIQUPDOO\ LQYHVWLJDWHG IRU PLVFRQGXFWDQ
UHIHUHG E\ WKH 52 WR WKH *0& 2QH GRFWRU UHFHLYHG D
*0& UHODWHG WR LVVXHV LGHQWLILHG SUHFRQVXOWR DSSRLQWP
FRQFHUQV DERXW KLV SUDFWLFH KHUH 2QH GRFWRU UHFHLYH
UHODWLRQ WR PLVFRQGXFWDQ SULRU WR KLV DSSRLQWPHQW
FRQFHUQV GRFWRUV & DQHG WKHLU SUHYLRXV 52

7ZR GRFWRUV KDYH RPSOHUHHPGIGLDRDOR SURFHQWR RI
SHUIRUPDQFH FRQFHUQV DQG D SHULRGZOH IURPHVDSRQFB
WR D FOLQLFDO LQFLGHQW

7KH 52 PHHWV TXDUWHUO\ ZLWK KHU *0& HPSOR\HU OLDLVRC
DQG SRWHQWVROSULDFOLVDFRQFHUQV\ FRQVXOWV KHU 1DW
\$VVHVPHQW 6HUFLFH ORFDO DGYLVHU IRU DGYLFH

E \$SSUDLVHUV

7KH WUXVWULQHG DSSUDLVDOVWZQ&HGDW OHDVW RQH DSS
VXSSRUW JURXS PHHWLQJQRDQGUFRLOHWHSSUDLVDOVWZQ&HGDW RWHRQH

WKH FRXUVH \$DOKHLUHDWRUDWHV DUH UHSUHVHQWHG DQG V
LQFOXGHV 6\$6 GRFWRUV \$URXQG KDOI RI RXU DSSUDLVHUV
\HDU VR ZH SODQ WR UHGXFH WKH QXPEHU RI DSSUDLVHUV
RU :H KDYH D VPDOO QXPEHU RI 3VXSHU DSSUDLVHUV
LQ DSSUDLVDO DQG FRDFKLQJ DQG DUH DEOH WR XQGHUWDN
WKHUH LV D SHUIRUPDQFH KHDOWK RU FRQGXFWDQFH

:H KD D QXPEHU DSSUDLVHU VXSSRUWRSRXO WPHMLQJ VHV
DV ZH DOKDOI GD\ ZRUNVKRS IRU DSSUDLVHUV IDFLOLWDWHG
IRU GLVFXVVLRQ ZHUH VHOHFWHG E\ WKH 52 WKH DSSUDLVDO
WKH PHHLU QHHGV \$V D FRQVHTXHQFH RI IHGDFN RQ WK
KDYH LQFOXGHG JRRG SUDFWLFH LQ 3'3V DQG ZLOO LQFOXG
DQG KRZ WR FROOHFW VXSSRUWLQJ LQIRUPDWLRQ WKURXJK
QAD0QAD0QAD00I c0W L]GLQAD0QAD00R @ L`àV pHPAÀQJ À!q† 6"m

)ROORZLQJ WKH DGSFUDRPSOHMDFK D IHGEDFN IRUP ZKLFK L

5LVN DQG ,VVXHV

7KH VXFFHVV RI WKH PHGLFDO DSSUDLVDO DQG UHYDOLGDW
H[SHULRPHV DHPDOO QXPEHU RI LQGLYLGX 86 SRZLWK OLPLWHG E

7KH WUXVW KGR FWRUD WDRG VQYHVWLDQWRU 52 LV WKH RQO
WUDLQHG DQG H[SHULHQFHG & DVH 0DQDJHU HGLFDOLFD FHWLJ
LQYHVWLJDWRUV ZKHQ WKH LVVXH LV FOHDUO\ RQH RI P
LQYHVWLJDWRUV ZKHQ HGLFDOLFD FHWLJ LQYHVWLJDWRU KD
DQG WKH & OLQLFDO 'LUHFWRUV DUH WR WUDLQ DV FDVH PDC

\$VPDOO QXPEHU RI GRFWRUV DUHKMWHYDOLGDWLRQDQG JH Z
WKHUH LV D ULVN WKDW WKH\ ZLOO ORVH W & OLQLFDO FHWLJ
FRPSOLDQFH LQFUHDVHV PDUNHGO\ DV WKH GJHYLDFXLOWLRO
ZLOO EH NHHSLQJ WKHVH GRFWRUV HQJDJHG LQ DSSUDLVDO
DQG WKLV LV EHJLQQLQJ GRFWRUV & DVH HQWZV RHDQ UHYDOL
7KLV LV PLWLJDWHG E\ VXSSRUW IURP WKH DSSUDLVDO OHD
FORVHO\ ZLWK OHDG FOLQLFDQV WR UHPLQG GRFWRUV RI
DQG UHIOHFWLYH SUDFWLFH

1H[W 6WHSV

,Q)HEUXDU\ WKH 8. 0HGLFDO 5HYDOLGDWLRQ FROODERUDW
WKH UHJXODWRU\ LPSDFW RI PHGLFDO UHYDOLGDWLRQ 7KH
x 7KH *0&V REMHFWLYH RI EULQJLQJ DOO GRFWRUV LQV
W p

5HFRPPHQGDWLRQV

7KH%RDUG LV DVNHG WR QRWH WKEW VKHSRHWV ZLQK DWKHH H H R R
/HYHO 5HVSRQVLEOH 2IILFHU

7KH%RDUG LV IXUWKHU UHTXHVWHG WR DSSURYH WKH μVWD
WKDW WKH RUJDQLVDWLRQ DV D GHVLJQDWHG ERG\ LV LQ

1+6 (QJODQG ,1)250\$7,21 5(\$'(5 %2;

'LUHFWRUDWH

0HGLFDO	2SHUDWLRQV	3DWLHQWV DQG ,QIRUPDWLRQ
1XUVLQJ	3ROLF\	&RPPLVVLRQLQJ 'HYHORSPHQ
)LQDQFH	+XPDQ 5HVRXUFH	

3XEOLFDWLRQV *DWHZD\ 5†

'RFXPHQW 3XUS	RXHGQFH	
'RFXPHQW 1DPH	\$)UDPHZRUN RI 4XDOLW\ \$VXUDQFH	RU 5HVS
\$XWKRU	1+6 (QJODQG 0HGLFDO 5HYDOLGDWLRQ	3URJUI
3XEOLFDWLRQ	DW\$ULO	
7DUJHW \$XGLHQ	\$OO 5HVSQRVLEOH 2IILFHUV LQ (QJODQG	
\$GGLWLRQDO /LVW)RXQGDWLRQ 7UXVW &(V 1+6 (QJO 0HGLFDO \$SSUDLVDO /HDGV &(V RI 'HVLJQDWH 1+6 (QJODQG \$UHD 'LUHFWRUV 1+6 7UXVW %RI RI +5 1+6 7UXVW &(V \$OO 1+6 (QJODQG (PSOR	
'HVFULSWLRQ	7KH)UDPHZRUN RI 4XDOLW\ \$VXUD RYHUYLHZ RI WKH HOHPHQWV GHILQH LQ W 5HVSQRVLEOH 2IILFHUV DQG WKHLU 'H WKH UHTXLUHG DVXUDQFH WKDW WKH\ DUH G VWDWXWRU\ UHVSQRVLELOLWLHV	

&URVV 5HIHUHQW 7KH 0HGLFDO 3URJUI 5HVSQRVLEOH 2IILFH
 DV DPHQGHG DQG WKH *0& /LFHQFH K

