

,QYHVWPHQW 6 WLD WCHLD LQYHV 0RUQLQJVWDU 6XVWDLQDELOLW\
7KH LQYHVWPHQW VHHNV ORQJ WHUP JURZWK RI FDSLWDO
7KH IXQG QrupDOO\ LQYHVWV SULPDULO\ LQ FRPPRQ VWRFNV ,W
QRUPDOO\ LQYHVWV DW OHDVW RI DVVHWV LQ VHFUXULWLHV RI
FRPSDQLHV ZLWK PHGLXP PDUNHW FDSLWDOL]DWLRQV ZKLFK IRU
SXUSRVHV RI WKLV IXQG DUH WKRVH FRPSDQLHV ZLWK PDUNHW
FDSLWDOL]DWLRQV VLPLODU WR FRPSDQLHV LQ WKH 5XVHOO 0LGFDSŠ
,QGH[RU WKH 6 3 0LG&DS Š ,QGH[7KH IXQG SRWHQWLDOO\
LQYHVWV LQ FRPSDQLHV ZLWK VPDOOHU RU ODUJHU PDUNHW
FDSLWDOL]DWLRQV ,W LQYHVWV LQ GRPHVWLF DQG IRUHLJQ LVVXHUV
0RUQLQJVWDU &DWHJRU\ -0LG &DS %OHQG

<RX VKRXOG FDUHIXOO\ FRQVLGBHGXKFWHUGVNYKHFKFDUWHM OLIH LQVXUDQFH DQG EHQHILWV SURYLG
OLPLWDWLRQV DQG H[SHQVHV DWKURFXDKW WCK HZ ISVR D LDF YDV LQHEOXFWHG PRQWKO\ LQ WKH IRUP RI SRC
OLIH LQVXUDQFH SROLF\ DV ZHGDJWVHWKHZKULFNVPDFKDFCHXGH EXW DUH QRW OLPLWHG WR &RVW
H[SHQVHV DQG LQYHVWPHQW JRQOXUDEMFHFFKLDUJHRI DQPLQLVWUDWLYH FKDUJHV PRUWDOLW\ DQ
XQGHUOLQJ LQYHVWPHQW RSWLRFQMQVYKLVLDNFWKDUJHWR LARYHUDJH FKDUJHV DQG DQ\ ULGHU
DXWKRUL]HG IRU GLVWULEXWLRQKPDQJHZKHQSEHHSRCHLG\FKDUJHV YDU\ E\ SURGXFW \RX DUH
DFFRPSDQLHG E\ WKH YDULDEOHQERKLDVIXGDVDFD\SNURXKXV\OLIH LQVXUDQFH SURGXFWU IRU D
SURVSHFWXV &RQWDFW \RXU OISHULVQVXUDQFH E\SOE\XWUWWRURQ ZKLFK LQFOXGHV DQ DQDO\VLV R
YLVW ZZZ 3DFLILF\LIH FRP IRU PRDUJHQBIBBBWWRQVR KHOS \RX XQGHUVWDQG KRZ WKH SROLF\
LQFOXGLQJ SURGXFW DQG XQGHUQJH XQGH SWRVRSHUF\WKOHFA FDKV YDOXH 6HH WKH DSSOLFDEO
WKDW FRQWDLQ PRUH FRPSOHWBULRGREWDSULRQSBFWXW\3DFLILF\H LQIRUPDWLRQ DERXW SROLF\
/LIH DQG D YDULDEOH XQLYHUVDFDULJHVLQVXUDQPB\SERDPR'OWHSDH IXQG VKDUH FODVVHV OLVWHG
WKHP FDUHIXOO\ EHIRUH LQYHVWQV BHSRHWGLQRWPDQ\VKDUH FODVVHV WKDW DSSHU LQ WKLV
- - -9DULDEOH 8QLYHUVDO /LIH DQMXDQDQDFE\O\HLLD O\O\U\ST XLQWUJUDQFH SURGXFWV 3OHDVH UHIH
DGGLWLRQDO SUHPLXP SD\PHQWRXUW\B U\QVXU LQDQVHLSDQ\BQXIPWXSURVSHFWXV IRU WKH DSSOLFDEOH
HLWKHU QR SUHPLXPV DUH SDLGXGQWDEB\GHTKBDQW FSODHP\KXPV DUH
LQVXUHLFLHQW WR FRQWLQXH FR-YHU-DJH \$WUUR USPDQ\HEORUWFKDUW BRC\H\Q\GH LQFOXGHV SHULRGV R
ZLOO H[SLUH /LIH LQVXUDQFH LWLXP\B\KHFQ\WRK\KQGLQY\ZULWFLHQWDEBQDQJHPHQW ILUPV PDQDJHG
DSSURYDO RI WKH DSSOLFDFWLRQ\IDQGHZIXQGV\DFQJ\PRZWKQ\LSROLVWPHQW SROLFLHV DQG SRVLE
FKDUJHV WKH IXQG QDPH GLIHUHG 7KH DSSOLFDEOH IXQGV DQG GDWHV V
- - -(DFK YDULDEOH LQYHVWPHGEWDRSWLRQFEXUWHV\DWLQ DV IROORZV
FRUUVSRQGLQJ SRUWIROLR RI WKH-\$PHULFDQ &HQWXU\ 9DULDEOH
3RUWIROLR ,QF \$PHULFDQ)XQGV,QV,XQDFQFH 6HULHVŠ)XQGV
%1< 0HOORQ 9DULDEOH ,QYHVWPHQW)XQG %ODFN5RFNŠ 9DULDEOH
6HULHV)XQGV ,QF ')\$,QYHVWPHQW 'LPHQVLRQV *URXS ,QF
)LGHOLW\Š 9DULDEOH ,QVXUDQFH 3URGXFWV)XQGV)UDQNOLQ
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,QVXUDQFH)XQGV -DQXV \$VSHQ 6HULHV /D]DUG 5HWLUHPPHQW
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)XQG ,QF 0)6Š 9DULDEOH ,QVXUDQFH 7UXVW 0)XQG ,QF
1HXEHUJHU %HUPDQ \$GYLVHUV 0DQDJHPHQW 7UXVW 3DFLILF
6HOHFW)XQG 3,0&2 9DULDEOH ,QVXUDQFH 7UXVW 5R\FH &DSLWDO
)XQG 6WDWH 6WUHHW 9DULDEOH ,QVXUDQFH 6HULHV)XQGV ,QF 7
5RZH 3ULFH (TXLW\ 6HULHV ,QF 9DQ(FN 9,3 7UXVW DQG
9DQJXDUG 9DULDEOH ,QVXUDQFH)XQG
- - -\$OWKRXXK VRPH IXQGV PD\ KDYH QDPHV RU LQYHVWPHQW
JRDOV REMHFWLYHV WKDW UHVHPEOH UHWDLO PXWXDO IXQGV PDQDJHG
E\ WKH IXQG PDQDJHU WKHVH IXQGV ZLOO QRW KDYH WKH VDPH
XQGHUOLQJ KROGLQJV RU SHUIRUPDQFH DV WKH UHWDLO PXWXDO IXQGV
JRDOV REMHFWLYHV
- - -\$OO LQYHVWLQJ LQYROYHV ULVN LQFOXGLQJ WKH SRVLEOH ORVV RI
WKH SULQFLSDO DPRXQW LQYHVWHG 7KH YDOXH RI WKH YDULDEOH
LQYHVWPHQW RSWLRQV ZLOO IOXFXWDWH VR WKDW VKDUHV ZKHQ
UHGHHPHG PD\ EH ZRUWK PRUH RU OHVV WKDQ WKH RULJLQDO FRVW
7KH IXQG LV VXEHPFW WR WKH VSHFLILF LQYHVWPHQW ULNVV GHVFULEHG
LQ WKH IXQG SURVSHFWXV ZKLFK LV DYDLODEOH IURP \RXU ILQDQFLDO
SURIHVVLQRQDO RU DW 3DFLILF\LIH FRP 3OHDVH VHH WKH IXQG
SURVSHFWXV IRU GHWDLOHG GHVFULSWLRQV RI WKHVH ULNVV
- - -([SHQVH UDWLRV VKRZQ ZHUH GHWHUPLQHG EDVHG RQ
DYHUDJH QHW DVVHWV DV RI WKH ILVFDQ \HDU HQGHG XQOHVV
RWKHUZLVH LQGLFDWHG &HUWDLQ SRUWIROLR QHW H[SHQVHV UHIOHFW D
FRQWUDFWXDO DGYLVRU\ IHZDLYHU DQG RU H[SHQVH FDS WKURXJK D
VSHFLILHG SHULRG 3OHDVH VHH WKH DSSOLFDEOH SRUWIROLR V
SURVSHFWXV IRU GHWDLOHG LQIRUPDWLRQ

3HUIRUPDQFH

- - -7KH 7RWHO 5HWXUQV OLVWHG LQ WKLV UHSRUW LQFOXGH RQO\ IXQG
OHYHO IHV DQG H[SHQVHV UHLQYHVWPHQW RI GLYLGHQGV DQG
GLVWULEXWLRQV &XUHQW SHUIRUPDQFH PD\ EH ORZHU RU KLJKHU
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LQFOXGH DQ\ SROLF\ FKDUJHV 3HUIRUPDQFH ZRXOG EH
VLJQLILFDQWO\ ORZHU DIWHU DOO SROLF\ IHV DQG H[SHQVHV DUH

ZHLJKWHG DYHUDJH RI WKH SULFH FDVK IORZ UDWLRV RI WKH VWRFNV
LQ D IXQG V SRUWIROLR 3ULFH FDVK IORZ UHSUHVHQWV WKH DPRXQW
DQ LQYHVWRU LV ZLOOLQJ WR SD\ IRU D GROODU JHQHUDWHG IURP D
SDUWLFXODU FRPSDQ\ V RSHUDWLRQV 3ULFH FDVK IORZ VKRZV WKH
DELWLW\ RI D EXVLQHVV WR JHQHUDWH FDVK DQG DFWV DV D JDXJH RI
OLTXLGLW\ DQG VROYHQF\
3ULFH SURVSHFWLYH ~~WKH DQV\W DZHLR~~ KWHG
DYHUDJH RI WKH SURVSHFWLYH HDUQLQJV \LHOGV RI DOO WKH GRPHVWLF
VWRFNV LQ WKH IXQG V SRUWIROLR DV RI WKH GDWH RI WKH SRUWIROLR ~ \$
VWRFN V SURVSHFWLYH HDUQLQJV \LHOG LV FDOFXODWHG E\ GLYLGQJ WKH
FRPSDQ\ V HVWLPDWHG HDUQLQJV SHU VKDUH IRU WKH FXUUHQW ILVFDQ
\HDU E\ WKH FRPSDQ\ V PRQW HQG VKDUH SULFH DV RI WKH
SRUWIROLR GDWH
3ULFH SURVSHFWLYH ~~WKH DZHLR 5DMMR~~ DYHUDJH RI
WKH SULFH VDOHV UDWLRV RI WKH VWRFNV LQ D SRUWIROLR 3ULFH VDOHV
UHSUHVHQWV WKH DPRXQW DQ LQYHVWRU LV ZLOOLQJ WR SD\ IRU D GROODU
JHQHUDWHG IURP D SDUWLFXODU FRPSDQ\ V RSHUDWLRQV
6KDUSH ~~LD D LRLVN~~ DGMXVWHG PHDVXUH GHYHORSHG E\
1REHO \DXUHDWH :LOOLDP 6KDUSH ,W LV FDOFXODWHG E\ XVLQJ
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IXQG V KLWRULFDQ ULVN DGMXVWHG SHUIRUPDQFH
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5 ~~VTXDUMR~~ HFWV WKH SHUFHQWDJH RI D IXQG V PRYHPHQWV
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5LVN ~~(YDOX-DUWRQ &K\ DMMR~~ UDWSKLF RI WKH WKUHH \HDU
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PXWXDO IXQG GHSLFWV KRZ ZLGH\ WKH UHWXUQV YDULHG RYHU D
FHUWDLQ SHULRG RI WLPH ,QYHVWRUV XVH WKH VWDQGDUG GHYLDWLRQ RI
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WKDW DUH PRVW OLNHO\ IRU D JLYHQ IXQG :KHQ D IXQG KDV D KLJK
VWDQGDUG GHYLDWLRQ WKH SUHGLFWHG UDQJH RI SHUIRUPDQFH LV
ZLGH LPSO\LQJ JUHDWHU YRODWLWLW\ 0RUQLQJVWDU FRPSXWHV
VWDQGDUG GHYLDWLRQ XVLQJ WKH WUDLQJ PRQWKO\ WRWDO UHWXUQV IRU
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GHYLDWLRQV DUH WKHQ DQXDOJHG
7RWDO 5HWXUQ ~~WUDLQJ~~ WKH WUDLQJ SHUIRUPDQFH RI WKH
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&DWHJRU\ IRU WKH WLPH SHULRGV VKRZQ ~
:HLJKWHG ~~VLFDO~~ FDOFXODWHG E\ ZHLJKWLQJ WKH SULFH RI HDFK
ERQG E\ LWV UHODWLYH VL]H LQ WKH SRUWIROLR 7KLV QXPEHU UHYHDOV LI
WKH IXQG IDYRUV ERQGV VHOOLQJ DW SULFH DERYH RU EHORZ IDFH
YDOXH SUHPLXP RU GLVFRXQW VHFUXLWLHV UHVSHFWLYHO\ \$ KLJKHU
QXPEHU LQGLFDWHV D ELDV WRZDUG SUHPLXPV

0RUQLQJVWDU 5DWLQJÆ
~ ~ 7KH 0RUQLQJVWDU 5DWLQJÆ IRU IXQGV RU VWDU UDWLQJ LV
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DW OHDVW D WKUHH \HDU KLWRU\ ([FKDQJH WUDGHG IXQGV DQG
RSHQ HQGHG PXWXDO IXQGV DUH FRQVLGHUHG D VLQJOH SRSXODWLRQ
IRU FRPSDUDWLYH SXUSRVHV ,W LV FDOFXODWHG EDVHG RQ D
0RUQLQJVWDU 5LVN \$GMXVWHG 5HWXUQ PHDVXUH WKDW DFFRXQWV IRU
YDULDWLRQ LQ D PDQDJHG SURGXFW V PRQWKO\ H\FHVU
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DQG UHZDUGLQJ FRQLVWPHQW SHUIRUPDQFH 7KH 0RUQLQJVWDU
5DWLQJ GRHV QRW LQFOXGH DQ\ DGMXVWPHQW IRU VDOHV ORDGV 7KH
WRS RI SURGXFWV LQ HDFK SURGXFW FDWHJRU\ UHFHLYH VWDUV
WKH QH[W UHFHLYH VWDUV WKH QH[W UHFHLYH VWDUV

´/LPLWHGµ FDWHJRU\ ZLOO EH DVVLJQHG WR SRUWIOLRV ZKRVH
DYHUDJH HIIHFWLYH GXUDWLRQ LV EHWZHHQ WR RI 0%,
DYHUDJH HIIHFWLYH GXUDWLRQ ZKHUH WKH DYHUDJH HIIHFWLYH
GXUDWLRQ LV EHWZHHQ WR RI WKH 0%, WKH SRUWIOLR
ZLOO EH FODVVLILHG DV ´ORGHUDWHµ DQG WKRUVH SRUWIOLRV ZLWK DQ

3,0&2 ,QYHVWPHQWV //& 5R\FH)XQG 6HUYLEFHV ,QF 6WDWH
6WUHHW *OREDO \$GYLVRUV)XQGV 'LVWULEXWRUV //& 7 5RZH 3ULFH
,QYHVWPHQW 6HUYLEFHV ,QF 9DQ (FN 6HFXULWLHV &RUSRUDWLRQ