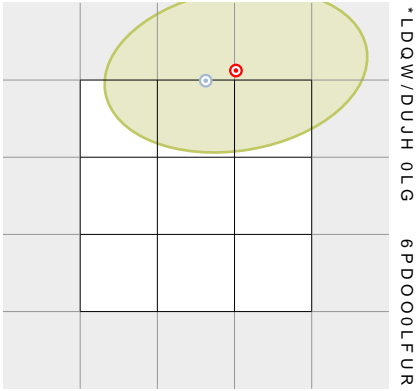


6W\OH 2ULHQDWLRQ

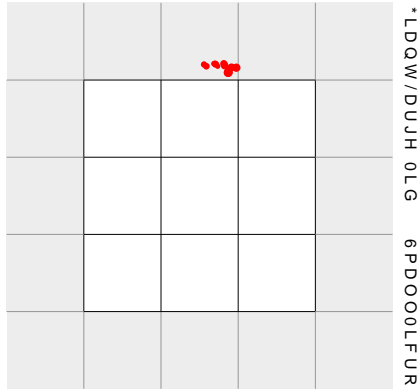
(TXLW\ 6W\OH 2ULHQDWLRQ = RQH



'H HSD O&R W DIO % OH Q & R UHW KL J K W K

* , QYHVWPHQW * % HQFKPDUN

(TXLW\ 6W DQHRH DLO



'H HSD O&R W DIO % OH Q & R UHW KL J K W K

o ●

9DOXH 0H DQHRH

(TXLWLHV

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
DELOLW\ RI D EXVLQHVV WR JHQHUDWH FDVK DQG DFWV DV D JDXJH RI
OLTXLGLW\ DQG VROYHQF\
3ULFH 3URVSHFWLYH ~~YDKH DQJH WDNHUR~~ 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\ GLYLGLQJ WKH
FRPSDQ\ V HVWLPHDWHG HDUQLQJV SHU VKDUH IRU WKH FXUUHQW ILVFDQ
\HDU E\ WKH FRPSDQ\ V PRQWK HQG VKDUH SULFH DV RI WKH
SRUWIROLR GDWH
3ULFH 3URVSHFWLYH ~~WLVN & B OZHL 5DMMH G~~ 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 LRVN~~ DGMXVWHG PHDVXUH GHYHORSHG E\
1REHO /DXUHDWH :LOOLDP 6KDUSH ,W LV FDOFXODWHG E\ XVLQJ
VWDQGDUG GHYLDWLRQ DQG H[FHVV UHWXUQ WR GHWHUPLQH UHZDUG
SHU XQLW RI ULVN 7KH KLJKHU WKH 6KDUSH 5DWLR WKH EHWWHU WKH
IXQG V KLVWRULFDQ ULVN DGMXVWHG SHUIRUPDQFH
6WDQGDUG ~~GHYLDWLRQ~~ VWDQGDUG PHDVXUH RI WKH YRODWLWLW\
RI WKH IXQG V UHWXUQV
5 ~~VTX-DUHM~~ HFWV WKH SHUFHQWDJH RI D IXQG V PRYHPHQWV
WKDW DUH H[SODLQH G E\ PRYHPHQWV LQ LWV EHQFKPDUN LQGH[\br/>VKRZLQJ WKH GHJUHH RI FRUUDODWLRQ EHWZHHQ WKH IXQG DQG WKH
EHQFKPDUN
5LVN ~~(YDOX-DUWRQ G&K DDI)~~ UDSKLF RI WKH WКУH \HDU
VWDQGDUG GHYLDWLRQ RI IXQG UHWXUQV FRPSDUHG WR LWV EHQFKPDUN
DQG 0RUQLQJVWDU &DWHJRU\ 6WDQGDUG GHYLDWLRQ LV D VWDWLWLFDO
PHDVXUHPHQW RI GLVSHUVRQ DERXW DQ DYHUDJH ZKLFK IRU D
PXWXDO IXQG GHSLFWV KRZ ZLGHO\ WKH UHWXUQV YDULHG RYHU D
FHUWDLQ SHULRG RI WLPH ,QYHVWRUV XVH WKH VWDQGDUG GHYLDWLRQ RI
KLVWRULFDQ SHUIRUPDQFH WR WU\ WR SUHGLFW WKH UDQJH RI UHWXUQV
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

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DYHUDJH HIIHFWLYH GXUDWLRQ WZKHUHHZDKHQBYGUDWHLEIXMFLVQYHDOO SRUWIROLRV LQ WKH SHHU J
GXUDWLRQ LV EHWZHHQ WR ZRROGWKHFHFL%HWKHTSRHWDRDLRDLWLQJ DVVLJQPHQW -DQG LI WKH
ZLOO EH FODVVLILHG DV 'ORGHUZZDWHYHDQGLWIKRMB SRUWURQEXRMZQWEDOO SRUWIROLRV PD\ RQO\ ID
DYHUDJH HIIHFWLYH GXUDWLRQ YRFXIRI WKRUIJYHDDWHLQRJ JWRKSV -ORUQLQJVWU DSSOLHV DQ
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'([WHQVLYHµ D PLQLXP UHTXLUHPHQW RI GLVWULEXWLRQ 7KLV YDOXH LV DVV
- RQ DQ DQXDO EDVLV DQG ZLOO UHSUHVHQW RI WKH VWDQGDUG
ORUQLQJVWU 6XVWDLQDELOLWGHYVWDLQ IRU DOO 6RYHUHLJQ 6XVWDLQDELOLW\ 6FRUHV IRU WH
- - -7KH ORUQLQJVWU 6XVWDLQDELOLWGHYVWDLQDELOLW\ 5DWLQJ DVVLJQPHQW DQG RI W
PHDVXUH KRZ ZHOO WKH LVVXLQVFRPSDQGHKUDMLRQWIRLHDQO WRU SRUDWH 6XVWDLQDELOLW\ 6F
VHFXULWLHV-ZLWKLQ D IXQG-V SRUWH&RDSRUDWHHPDQVW DQDDELOLW\ 5DWLQJ DVVLJQPHQW -
ILQDQFLDOO\ PDWHULDO HQYLURQPHQWV KVFHFDXVHGVKRYHUWDLQVWLRQ UXOHV DUH DSSOLHG
(6* ULNV UHODWLYH WR WKH IXQGVDFULHURWLV *SRUDWRDWRM JHISRVHG WR KLJK (6* 5LVN FR
SHUV ORUQLQJVWU DVVLJQV 6XVWDLQDELOLW\ 5DWLQJ)RU H[D
FRPELQLQJ D SRUWIROLRV &RUSRUDWH&RVWZLVKLELQWKH HODVJFDVHJRU H[KLELW KLJK (6* 5LVN
6RYHUHLJQ 6XVWDLQDELOLW\ 5DWLQJ SURSRUWLRQDWR WKDQDHDWLVFKHFN ZH LPSRVH
ZHLJKW RI WKH ORQJ RQO\ FRUHTLWHHPDQVFRUWHKJQHYHO RI (6* 5LVN -
SRVLWLRQV - - -7KH ORUQLQJVWU 6XVWDLQDELOLWGHYVWDLQDELOLW\ 6FRUHV IRU 6RYHUHLJQ 6XVWDLQDELOLW\ V
FDOFXODWLRQ LV D ILYH VWHS SURFHV)LUVKHQWK&RXQWUWHLYHV D LI
6XVWDLQDELOLW\ 6FRUH DQG 6RYHUHLJQ 6XVWDLQDELOLW\ 6FRUH DUH
ERWK GHULYHG)XQGV UHTXLUH DW-OHDVW-
RI-FRUSRUDWH-DVVHWV-EH-FRYHUHG E\ D FRPSDQ\ OHYHO (6*
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3RUWIROLR-&RUSRUDWH-6XVWDLQDELOLW\ 6FRUH)XQGV UHTXLUH-DW
OHDVW- RI-VRYHUHLJQ-DVVHWV-EH-FRYHUHG E\ D &RXQU\
5LVN-6FRUH-IURP-6XVWDLQDO\WLFV-WR-UHFHLYH D ORUQLQJVWU
3RUWIROLR-6RYHUHLJQ-6XVWDLQDELOLW\ 6FRUH -7KH
ORUQLQJVWU-&RUSRUDWH DQG 6RYHUHLJQ-6XVWDLQDELOLW\ 6FRUHV
DUH DVVHW ZHLJKWHG DYHUDJHV-RI FRPSDQ\ OHYHO (6*-5LVN
6FRUHV IRU FRUSRUDWH KROGLQJV RU &RXQU\ 5LVN 6FRUHV IRU
VRYHUHLJQ KROGLQJV -%RWK VFRUHV-UDQJH EHWZHHQ WR
ZLWK D KLJKHU VFRUH LQGLFDWLQJ-WKDW D IXQG KDV RQ DYHUDJH
PRUH RI LWV DVVHWV LQYHVWHG LQ-FRPSDQLHV RU FRXQWULHV ZLWK
KLJK (6* 5LVN
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UHVSHFWLYH 3RUWIROLR &RUSRUDWH DQG 6RYHUHLJQ 6XVWDLQDELOLW\
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PRUH RI LWV DVVHWV LQYHVWHG LQ-FRPSDQLHV RU FRXQWULHV ZLWK
KLJK (6* 5LVN RQ D FRQLVWHQW KLVWRULFDO EDVLV
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ORUQLQJVWU-*OREDO-&DWHJRULHV ,Q RUGHU WR UHFHLYH D
&RUSRUDWH 6XVWDLQDELOLW\ 5DWLQJ RU 6RYHUHLJQ 6XVWDLQDELOLW\
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6XVWDLQDELOLW\ 6FRUH-UDQN ZLWKLQ WKH IROORZLQJ GLVWULEXWLRQ -
‡ +LJK KLJKHVW
‡ \$ERYH \$YHUDJH QH[W
‡ \$YHUDJH QH[W
‡ %HORZ \$YHUDJH QH[W DQG
‡ /RZ ORZHVW
- - -%RWK WKH &RUSRUDWH DQG 6RYHUHLJQ 5DWLQJ UHO\ RQ
GLVWULEXWLRQ RI VFRUHV ZLWKLQ D ORUQLQJVWU *OREDO
&DWHJRU\ -,Q FDVHV ZKHU WKHUH LV OLWVOH WR QR GLVWULEXWLRQ IRU
VRYHUHLJQ RU FRUSRUDWH VFRUHV ZLWKLQ D SHHU JURXS

'LVFORVXUH

6WUHHW *OREDO \$GYLVUV)XQGV 'LVWULEXWRUV //& 7 5RZH 3ULFH
,QYHVWPHQW 6HUYLEFHV ,QF 9DQ (FN 6HFXULWLHV &RUSRUDWLRQ
DQG 9DQJXDUG 0DUNHWLQJ &RUSRUDWLRQ ,QF -DQG WKH SURGXFWV
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6HOHFW 'LVWULEXWRUV //&

0RUQLQJVWVWU ,QF LV QRW DILOLDWHG ZLWK 3DFLILF /LIH DQG 3DFLILF
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\$OO WUDGHPDUNV DQG VHUYLEFH PDUNV EHORQJ WR WKHLU UHVSHFWLYH
RZQHUV

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3DFLILF /LIH ,QVXUDQFH &RPSDQ\
1HZSRUW %HDFK &\$

ZZZ 3DFLILF/LIH FRP-

3DFLILF /LIH \$QQXLW\ &RPSDQ\
1HZSRUW %HDFK &\$

ZZZ 3DFLILF/LIH FRP

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