

,QYHVWPHQW R 6 W L D W H L Q J L Q Y H V 0 R U Q L Q J V W D U 6 X V W D L Q D E L O L W \

7KH LQYHVWPHQW VHHNV D KLJK OHYHO RI FXUUHQW LQFRPH

7KH IXQG LQYHVWV SULQFLSDOO\ LQ LQFRPH SURGXFLQJ IORDWLQJ
UDWH ORDQV DQG IORDWLQJ UDWH GHEW VHFXULWLHV 8QGHU QRPDO
FLUFXPVWDQFHV WKLW IXQG LQYHVWV DW OHDVW RI LWV DVVHWV LQ
IORDWLQJ UDWH ORDQV DQG IORDWLQJ UDWH GHEW VHFXULWLHV)ORDWLQJ
UDWH ORDQV DQG IORDWLQJ UDWH GHEW VHFXULWLHV DUH WKRVH ZLWK
LQWHUHVW UDWHV ZKLFK IORDW DGMXVW RU YDU\ SHULRGLFDOO\ EDVHG
XSRQ D EHQFKPDUN LQGLFDWRU D VSHFLILHG DGMXVWPHQW VFKHGHOH
RU SUHYDLOLQJ LQWHUHVW UDWHV

0RUQLQJVVWDU &DWHJRU\ -%DQN /RDQ

%DQN ORDQ SRUWIROLRV SULPDULO\ LQYHVW LQ IORDWLQJ UDWH EDQN ORDQV
DQG IORDWLQJ UDWH EHORZ LQYHVWPHQW JUDGH VHFXULWLHV LQVWHDG
RI ERQGV ,Q H\FKDQJH IRU WKHLU FUHGLW ULVN WKHVH ORDQV RIIHU
KLJK LQWHUHVW SD\PHQWV WKDW W\SLFDOO\ IORDW DERYH D FRPPRQ
VKRUW WHUP EHQFKPDUNV VXFK DV /LERU RU 62)5

)HHV DQG ([SHQVHV

&ODVV ,

3URVSHFWXV 1HW ([SHQVH 5DWLR

3URVSHFWXV *URVV ([SHQVH 5DWLR

&ODVV 3

3URVSHFWXV 1HW ([SHQVH 5DWLR

3URVSHFWXV *URVV ([SHQVH 5DWLR

:DLYHU 'DWD 7\SH ([S 'DWH

&ODVV ,

&ODVV 3

6W\OH 2ULHQWDWLRQ

)L[HG ,QFRPHD\OH

)L[HG ,QFRPHD\OH 7UDLO

)L[HG ,QFRPHD\MLVWLFV

o		

+LJK OHG /RZ

o ,QYHVWPHQW
o

\$YJ (II 'XUDWLRQ
\$YJ (II 0DWXULW\
\$YJ :WG 3ULFH

/LP 0RG ([W

5LVN (YDD\DWLRQ

&ODVV , 5LVND\XUHV<HDU <HDU <HDU

6WDQGDUG 'HYLDWLRQ

6KDUSH 5DWLR

,QIRUPDWLRQ 5DWLR

5 VTXDUHG 'UR i_ '5&~

ERQGV LQ D SRUWIROLR FRPSXWHG E\ ZHLJKWLQJ HDFK ERQG V
HIIHFWLYH PDWXULW\ E\ WKH PDUNHW YDOXH RI WKH VHFUXULW\ ,W WDNHV
LQWR FRQVLGHUDWLRQ DOO PRUWJDJH SUHSD\PHQWV SXWV DQG
DGMXVWDEOH FRXSRQV /RQJHU PDWXULW\ IXQGV DUH JHQHUDOO\
FRQVLGHUH PRUH LQWHUHVW UDWLH VHQVLWLYH WKDQ WKHLU VKRUWHU
FRXQWHUSDUWV -
3ULFH 3URVSHFWLYH ~~WLVN~~ ~~ERRN~~ ~~YDOXH~~ ZHLJKWHG
DYHUDJH RI WKH SURVSHFWLYH ERRN YDOXH \LHOGV RI DOO WKH
GRPHVWLF VWRFNV LQ WKH IXQG V SRUWIROLR DV RI WKH GDWH RI WKH
SRUWIROLR ,W LV FDOFXODWHG E\ GLYLGQLQJ WKH FRPSDQ\ V HVWLPDWHG
VKDUHKROGHUV HTXLW\ SHU VKDUH IRU WKH FXUUHQW ILVFDQ \HDU E\
WKH FRPSDQ\ V PRQWK HQG VWRFN SULFH DV RI WKH SRUWIROLR GDWH
3ULFH 3URVSHFWLYH ~~WLVN~~ ~~ERRN~~ ~~YDOXH~~ ZHLJKWHG
ZHLJKWHG DYHUDJH RI WKH SULFH FDK IORZ UDWLVRV RI WKH VWRFNV
LQ D IXQG V SRUWIROLR 3ULFH FDK IORZ UHSUHVHQWV WKH DPRXQW
DQ LQYHVWRU LV ZLOOLQJ WR SD\ IRU D GROODU JHQHUDWHG IURP D
SDUWLFXODU FRPSDQ\ V RSHUDWLRQV 3ULFH FDK IORZ VKRZV WKH
DELOWL\ RI D EXVLQHVV WR JHQHUDWH FDK DQG DFWV DV D JDXJH RI
OLTXLGLW\ DQG VROYHQF\
3ULFH 3URVSHFWLYH ~~WLVN~~ ~~ERRN~~ ~~YDOXH~~ ZHLJKWHG
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\ GLYLGQLQJ WKH
FRPSDQ\ V HVWLPDWHG HDUQLQJV SHU VKDUH IRU WKH FXUUHQW ILVFDQ
\HDU E\ WKH FRPSDQ\ V PRQWK HQG VKDUH SULFH DV RI WKH
SRUWIROLR GDWH
3ULFH 3URVSHFWLYH ~~WLVN~~ ~~ERRN~~ ~~YDOXH~~ ZHLJKWHG DYHUDJH RI
WKH SULFH VDOHV UDWLVRV 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 ~~5D~~ ~~DL~~ ~~LVN~~ DGMXVWHG PHDVXUH GHYHORSHG E\
1REHO /DXUHDWH :LOOLDP 6KDUSH ,W LV FDOFXODWHG E\ XVLQJ
VWDQGDUG GHYLDWLRQ DQG H[FHVV UHWXUQ WR GHWHUPLQH UHSDUJ
SHU XQLW RI ULVN 7KH KLJKHU WKH 6KDUSH 5DWLVRV WKH EHWWHU WKH
IXQG V KLVWRULFDQ ULVN DGMXVWHG SHUIRUPDQFH
6WDQGDUG ~~GHYLDWLRQ~~ ~~LVN~~ DGMXVWHG PHDVXUH RI WKH YRODWLWLW\
RI WKH IXQG V UHWXUQV
5 VTX ~~DUH~~ ~~DUH~~ ~~DUH~~ HFWV WKH SHUFHQWDJH RI D IXQG V PRYHPHQWV
WKDW DUH H[SODLQH E\ PRYHPHQWV LQ LWV EHQFKPDUN LQGH[\br/>VKRZLQJ WKH GHJUHH RI FRUUDODWLRQ EHWZHHQ WKH IXQG DQG WKH
EHQFKPDUN
5LVN (YDOX ~~DUH~~ ~~DUH~~ ~~DUH~~ ~~DUH~~ UDSKLF RI WKH WKUHH \HDU
VWDQGDUG GHYLDWLRQ RI IXQG UHWXUQV FRPSDUHG WR LWV EHQFKPDUN
DQG 0RUQLQJVWDU &DWHJRU\ 6WDQGDUG GHYLDWLRQ LV D VWDWLWVLFDO
PHDVXUHPHQW RI GLVSHUVLRQ DERXW DQ DYHUDJH ZKLFK IRU D
PXWXDO IXQG GHSLFWV KRZ ZLGHQ\ 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
VWDQGDUG GHYLDWLRQ XVLQJ WKH WUDLWLQJ PRQWKO\ WRWDO UHWXUQV IRU
WKH DSSURSULDWH WLPH SHULRG \$OO RI WKH PRQWKO\ VWDQGDUG

