

<RX VKRXOG FDUHIXOO\ FRQVLGSRUWISHFWLXWVRFKDHWBVOHG LQIRUPDWLRQ
OLPLWDWLRQV DQG H[SHQVHV DVVRFLDWHG ZLWK D YDULDEOH 'HILQLWLRQV
OLIH LQVXUDQFH SROLF\ DV ZHOODURUWVFRULVNV FKDUJHV \$OSK\ PHDVXUH RI WKH GLIIHUHQ
H[SHQVHV DQG LQYHVWPHQW JRDOV 7KHMFRFWDG HWHWKWKV OLTVB SWLXD O KUHWWKHSRUVDWQIGLQV XGH SHOF
XQGHUOLQJ LQYHVWPHQW RSWLROHMH KHMVIDRQV VHSWVILW UHLLVHVNDP IGDVRIUGYEGEED D QSR
DXWKRUL]HG IRU GLVWULEXWLRQ LRVQLZKHWQ SQVH FNGHGHQW SHUWKHPSRUFWIRDL EHKDVR ZSHU IRW RKGK
DFFRPSDQLHG E\ WKH YDULDEOHWGDQH WQM XSHUQRH PSURFHX EWHIOH SWHG LFOV WJQL V SQVSDWW 5HWXHUDDW
SURVSHFWXV &RQDFW \RXU OLQHFDQGXUDQFBSRULFG XFKDUJHV XHVIKQSDHSHH ZIRXUPGH E HJLYHQ WKH
YLVLW ZZZ 3DFLILF/LIH FRP IRU PRJQLLQFIRUW DOWORQHU DIWHU DGEVSRGLF\ IHHV DQG H[SHQVHV DU
LQFOXGLQJ SURGXFW DQG XQGHGGLXQJWHKQ G7 B HFRVSHV VRXOHLVH LQVXUDQF I DQGHUWGHQVNLVH VYUHYDQ
WKDW FRQWDLQ PRUH FRPSOHWWKQRURURDMKLRG RDELFXVL V DFLGKIF VIKQG PRSRUKWIRLQ RVM WKUHJHRSR
/LIH DQG D YDULDEOH XQLYHUVDFK DULJHVL QZKLUFKQFH S RQDFG H HFDVLDVHOQ QDW DRQLR HGD QG R R/VVH
WKHP FDUHIXOO\ EHIRUH LQYHVWLQXUDQF FHHGSDQJHVR QHGLQLVWV HMDYH FFKDWXUM RARDJ WDDQ W\VDH
- - -9DULDEOH 8QLYHUVDO /LIH HPSKQDQGH E H VJH E KD D DQX UHRYXLUWRYH FRBQVHV \$DSRUWQRDLR IZUWK D
DGGWLWRQDO SUHPLXP SD\PHQWFKDUHWU WKLHEGLSRLODF VSHKPUXPRQDWLGH SVUKRQFKWKH R D UNHW D
HLWKHU QR SUHPLXPV DUH SDLGHQFUR XUEVHHG XHQD V VNU HPLX PDL IDUHQW XUDVYFRSUDRGLXOFF W KDQ DWKH P
LQXUHLFLHQW WR FRQWLQXH FRSHUWDRGDQW HLG SGRXV EVDH WIKQWZ BRHGHV DSDRQFRULS B Q DQD H RQLG
ZLOO H[SLUH /LIH LQVXUDQFH LFKDXB MHV VRRU WQGRUZHDS LQK IXQGS MU WMEQGU KGEZVW B E DSRQLF G H
DSSURYDO RI WKH DSSOLFDWLRQKDDQGLZL DDIHQW XUR XUR SWQDF\SRDGHFRDQGXHVQ BWHKHWK E G SSSRUFV ERO
FKDUJHV SURGXFW SURVSHFWXV IRU PRUSHLQFRQWVHRCI DLRGLSRORLH VHF
- - -(DFK YDULDEOH LQYHVWPHQWDRISWVLRQKIHUHHF DVEIHPX OWL SFLHGLQV TXKDDLHV FQDWLHQV D V DWHG
FRUHVSRQGLQJ SRUWIORL RI WKLH VPHSULFVQ 1)KQ DVO Q V KD D E FHDQV M V SWK DW HD BSRISDRJ LQK W KLDW
6HULHVŠ)XQGV %1< 0HOORQ 9DULDEOH LQDQD W Q D W R Q D V O X Q G S / L Q ZLVQK B H % S W R G D W L Q J 3DUHD WKH HIRI
%ODFN5RFNŠ 9DULDEOH 6HULHV\RXQGS8/, QGVXVQ QYHVSURFHXFW SURQMSLGHVXHG IWR WKHR DSSOH F DVEPH
'LPHQVLRQV *URXS ,QF)LGHOLMXSGVDDQDEKHLQV KODQFHV3URGRKIF VORZHU WKDQ %% RIWHQ FDOO
)XQGV)UDQNOLQ 7HPSOHWRQ 9DULDEOH S E M KRUDRQFH BIUIRQXFMU/DLHOFWQDQV G H QIFG XGRIVE H TXLRLVH VR
,QYHVFR 9DULDEOH ,QVXUDQFH YKLPVZK B Q XRVSKVSHU Q GYHULW FH QDWUDQDQJWH P H Q W D Q G P H P O R Z D D H B FR
5HWLUHPPHQW 6HULHV ,QF /HJWKRWRQI SQGW DQGV RUD ZKDIHQHQ (YHQRVH QWK SWR DLSFSLHYU D Q G WSKRIV VR E
7UXVW /HJ ODVRQ 3DUWQHUV 9DULDEOH QG B H D Q G , Q F R H G L V K H V G L Q K R D D S B G F G B V Q D Q G R G R D W H R U
9DULDEOH ,QVXUDQFH SURGXFW FUDQJHVR B G S X S E H G V D U G H D V H R Q B B V L Q J D Y D L O D E O H -
,QF 0)6Š 9DULDEOH ,QVXUDQFH 7UXVW 0)XQGV ,QF 1HXEHUJHUXUDWLRQ \$MH B W L A H G XUDWLRQ L
%HUPDQ \$GYLVHUV ODQDJHPPHQW 7UXVW Q G W H U B D W D R E D O) X D G W R Q G Q G R O W H U H V W D D W H V H Q V L W
3,0&2 9DULDEOH ,QVXUDQFH 7UXVW J S R B B & D S X W D Q Q X R Q 6 W D W H B S P R U H V H Q V L W L Y H W K H I X Q G L
6WUHHW 9DULDEOH ,QVXUDQFH 6HULHV)XQGV ,QF 75RZH 3ULKHDWLRQ LV GHWHUPLQHG E\ D IR
(TXLW) 6HULHV ,QF 9DQ(FN 9, 3D B K L W 6HULHV Q D Q G H G % R U L Q G R O D W H V H V D Q G E R Q G P D W X L W L H V -
,QVXUDQFH)XQGV (PHUJLQJ ODUNHWV RQ (P B U I D Q W L B D U N K W O H H E K R U V H U H U P D W X
- - -\$OWKRXXJK VRPH IXQGV PD\ KDYH QDRDWRQJ 5DWHV WFFRQW RCKUDWLRQ RZMKH RQD WLRQVKLS E
JRDOV REMHFVLYHV WKDW UHVHFRQV K H F D H Q F H K W R Q O I X Q G A L P D X U D H G R Q R Q G / R W U D L J K W I R U Z D U G
E\ WKH IXQG PDQDJHU WKHVH IXQGMUQDOLQRQCK B F D O V K & D S D R G H D U V D Q G W Z L F H D A D V R H B W S O H D V
XQGHUOLQJ KROGLQJV RU SHUIRUPDQFH DV WKHQGHWDLORE B W X D S * I R Z G W K R Q D Q G
JRDOV REMHFVLYHV 0LG & DS 9DOXH RQ 6PDOO & DS 9DOXH RQ
- - -7KHUH LV JUHDWHU SRWHQWLDO IRQGLJKHUHFHWQRQVJRQRXJK WKH DQG
YDULDEOH LQYHVWPHQW RSWLRQV EXDQRMRQQYHVWPHQW LV VXEHHFW WR
WKH ULVN RI SRRU LQYHVWPHQW SHUIRUPDQFH DQG FDQ YDU\
GSHHQGLQJ RQ WKH SHUIRUPDQFH RI \$ W K H S Y D W W D I E D F F R Q M V W P B Q M S H R I , Q Y H V W P H Q W & R P S D Q \
RSWLRQV \RX KDYH FKR VHQ (DFKHYD W U B G W H R L Q V H V W G E H V W R Y S W V R Q H M O U X V W Z K L F L V U H J L V W H
KDYH LWV RZQ XQLTXH ULVN 7W K H Y D Q X I U R W H B F K (Y B D Q D D E O A R P P L V L R Q X Q G H W K H , Q Y H V W P H Q W
LQYHVWPHQW RSWLRQ ZLOO IOXFRPSDQH \$EWKRWKH YDQK B H S D W D M H \$ F F R X Q W 6 W D U W ' D W H
LQYHVWPHQWV LW KROGV DQG U H S X H Q H Q D W H V K H W G D W H D W K W H S I S U W R R O E R Q Z D V D G G H G D V D V X E D F
ORVH PRQH\ E\ LQYHVWLQJ LQ W L C H S R Q K A \ D S S E Q X B E Q H G R S D U R W H \$ F F R X Q W
SULQFLSDO DQG SULRU HDUQLQJV 7KHUHIRUH WKH DFWDXDO YDOXH RI DQ\
SROLF\ GLVWULEXWLRQ FDQ EH JUHDW KHU ERUQ I K H P D U W K L O G L F H W R S U R Y D Q G H G F R W H L Q P D \ Q R W
<RX EHU WKH ULVN RI DQ\ YDUHSHOH LQDQV D V O P H Q W D R S V L Q R V E I R X F K P D N L Q G L F H V V K R Z Q L Q W K H
FKRRVH <RX VKRXOG UHDF HDF B \$ S O L G B B S I X Q G X V \$ D R V S X O Q X V H V 6 H H W K H D S S O L F D E O H I X Q G Y
EHIRUH LQYHVWLQJ <RX FDQ RESURVCS HF V X Q G S U I R V S H F W K V C E R U P D W L R Q
FRQWDFWLQJ \RXU OLIH LQVXUDQFH \$ SURGXFWHJ R L K H L Q L G H [W L H Q V X U H V W K H S H U I R U P D Q F H
ZZZ 3DFLILF/LIH FRP 1R DVVXUDQFH F D Q H O \ K L Y H Q W W K R F W D I Q Q G H T X L W \ P D U N H W 6 W D Q G D U G D Q
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DYHJDJH QHW DVVHWV DV RI WKH F D V X E G B D H W B S H W R F N V X P O L H Q X V W U L D O I L Q D Q F L D O X W L O L V
RWKHUZLVH LQGLFDWHG & H U W D L Q D S R V S R U R V D W L R Q F V R H S B B Q W V V 6 W B F O H P W G D W K L V F R P S R V L W L
FRQWUDFWXDO DGYLVRU\ IHH ZKLDVH E H Q G P R R U H I [S H Q V L E O F D B Q V K W R K X J Q X P E H U R I L V V X H V L Q H D F K
VSHFLILHG SHULRG 3OHDVH VHV H V F W H R D S I S D V L F Y D E Q L H G S R U W V L R O R D U W H W F D S L W D O L J D W L R Q Z H L J K W H G

HIHFWLYH 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\
FRQVLGHUHG PRUH LQWUHVW UDWV VHQVLRWLYH WKDQ WKHLU VKRUWHU
FRXQWHUSDUWV -

~~3ULFH 3URVSHFWLYH ERRN YDOXH~~ 3ULFH 3URVSHFWLYH ERRN YDOXH

DYHUDJH RI WKH SURVSHFWLYH ERRN YDOXH \LHOGV RI DOO WKH
GRPHVWLF VWRFNV LQ WKH IXQG V SRUWROLR DV RI WKH GDWH RI WKH
SRUWROLR ,W LV FDOFXODWHG E\ GLYLGLQJ WKH FRPSDQ\ V HVWLPHDWHG
VKDUHKROGHU HTXLW\ SHU VKDUH IRU WKH FXUUHQW ILVFDO \HDU E\
WKH FRPSDQ\ V PRQWK HQG VWRFN SULFH DV RI WKH SRUWROLR GDWH

~~3ULFH 3URVSHFWLYH HDUQLQJV~~ 3ULFH 3URVSHFWLYH HDUQLQJV

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LQ D IXQG V SRUWROLR 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 3URVSHFWLYH HDUQLQJV~~ 3ULFH 3URVSHFWLYH HDUQLQJV

DYHUDJH RI WKH SURVSHFWLYH HDUQLQJV \LHOGV RI DOO WKH GRPHVWLF
VWRFNV LQ WKH IXQG V SRUWROLR DV RI WKH GDWH RI WKH SRUWROLR - \$
VWRFN V SURVSHFWLYH HDUQLQJV \LHOG LV FDOFXODWHG E\ GLYLGLQJ WKH
FRPSDQ\ V HVWLPHDWHG HDUQLQJV SHU VKDUH IRU WKH FXUUHQW ILVFDO
\HDU E\ WKH FRPSDQ\ V PRQWK HQG VKDUH SULFH DV RI WKH
SRUWROLR GDWH

WKDQ \HDUV EXW OHVV WKDQ RU HTXDO WR \HDUV DQG
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,QFRPH LQWHUHVW UDWH VHQVLWLYLW\ FDWHJRULHV DVVLJQPHQW LV
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,QGH[0&%, 7KH FODVVLILFDWLRQ DVVLJQPHQW LV G\QDPLFDOO\
GHWHUPLQHG UHODWLYH WR WKH EHQFKPDUN LQGH[YDOXH \$
'/LPLWHGµ FDWHJRULHV ZLOO EH DVVLJQHG WR SRUWIROLRV ZKRVH
DYHUDJH HIIHFWLYH GXUDWLRQ LV EHWZHHQ WR RI 0&%,
DYHUDJH HIIHFWLYH GXUDWLRQ ZKHUH WKH DYHUDJH HIIHFWLYH
GXUDWLRQ LV EHWZHHQ WR RI WKH 0&%, WKH SRUWIROLR
ZLOO EH FODVVLILHG DV 'ORGHUDWHµ DQG WKRVH SRUWIROLRV ZLWK DQ
DYHUDJH HIIHFWLYH GXUDWLRQ YDOXH RU JUHDWHU RI WKH
DYHUDJH HIIHFWLYH GXUDWLRQ RI WKH 0&%, ZLOO EH FODVVLILHG DV
'([WHQVLYHµ
~
0RUQLQJVVWDU 6XVWDLQDELOLW\ 5DWLQJµ
~ ~ ~7KH 0RUQLQJVVWDU 6XVWDLQDELOLW\ ~5DWLQJ
PHDVXUH KRZ ZHOO WKH LVVXLQJ FRPSDQLHV RU FRXQWULHV RI WKH
VHFXULWLHV~ZLWKLQ D IXQG~V SRUWIROLR DUH PDQDJLQJ WKHLU
ILQDQFLDOO\ PDWHULDO HQYLURQPHQWDO VRFLDO DQG JRYHUQDQFH RU
(6* ULNVV UHODWLYH WR WKH IXQG~V 0RUQLQJVVWDU *OREDO &DWHJRULHV
SHUV 0RUQLQJVVWDU DVVLJQV 6XVWDLQDELOLW\ 5DWLQJ E\
FRPELQLQJ D SRUWIROLR V &RUSRUDWH 6XVWDLQDELOLW\ 5DWLQJ DQG
6RYHUHLJQ 6XVWDLQDELOLW\ 5DWLQJ SURSRUWLRQDO WR WKH UHODWLYH
ZHLJKW RI WKH ORQJ RQO\ FRUSRUDWH DQG VRYHUHLJQ
SRVLWLRQV ~ ~ ~7KH 0RUQLQJVVWDU 6XVWDLQDELOLW\ 5DWLQJ
FDOFXODWLRQ LV D ILYH VWHS SURFHVV)LUVW WKH &RUSRUDWH
6XVWDLQDELOLW\ 6FRUH DQG 6RYHUHLJQ 6XVWDLQDELOLW\ 6FRUH DUH
ERWK GHULYHG)XQGV UHTXLUH DW~OHDVW~
RI~FRUSRUDWH~DVVHWV~EH~FRYHUG E\ D FRPSDQ\ OHYHO (6*
5LVN~6FRUH~IURP~6XVWDLQDO\WLFV~WR~UHFHLYH D 0RUQLQJVVWDU
3RUWIROLR~&RUSRUDWH~6XVWDLQDELOLW\ 6FRUH)XQGV UHTXLUH~DW
OHDVW~ RI~VRYHUHLJQ~DVVHWV~EH~FRYHUG E\ D &RXQU\
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6FRUHV IRU FRUSRUDWH KROGLQJ RU &RXQU\
5LVN 6FRUHV IRU
VRYHUHLJQ KROGLQJ ~%RWK VFRUHV~UDQJH EHWZHHQ WR
ZLWK D KLJKHU VFRUH LQGLFDWLRQ~WKDW D IXQG KDV RQ DYHUDJH
PRUH RI LWV DVVHWV LQYHVWHG LQ~FRPSDQLHV RU FRXQWULHV ZLWK

'LVFORVXUH

DGYLVHU WR WKH 3DFLILF 6HOHFW)XQG 36) DQG PDQDJHV FHUWDLQ
36) SRUWIROLRV

\$PHULFDQ &HQWXU\ ,QYHVWPHQW 6HUFLFHV ,QF \$PHULFDQ)XQGV
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3,0&2 ,QYHVWPHQWV //& 5R\FH)XQG 6HUFLFHV ,QF 6WDWH
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,QYHVWPHQW 6HUFLFHV ,QF 9DQ (FN 6HFXULWLHV &RUSRUDWLRQ
DQG 9DQJDUG 0DUNHWLQJ &RUSRUDWLRQ ,QF -DQG WKH SURGXFWV
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6HOHFW 'LVWULEXWRUV //&

0RUQLQJVWDU ,QF LV QRW DILOLDWHG ZLWK 3DFLILF /LIH DQG 3DFLILF
6HOHFW 'LVWULEXWRUV //&

\$OO WUDGHDPUNV DQG VHUFLFH PDUNV EHORQJ WR WKHLU UHVSHFWLYH
RZQHUV

3RUWIROLR VWDWLVLV PD\ GLIIHU IURP WKH DQXDO UHSRUW

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

ZZZ 3DFLILF/LIH FRP-

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

ZZZ 3DFLILF/LIH FRP