

, QYHVWPHQWR 6 WLDWHLJ LQYHV 0RUQLQJVW DU 6XVWDLQDELOLW\

<RX VKRXOG FDUHIXOO\ FRQVLGSRUWISHFWLXWVRFKDHWBVOHG LQIRUPDWLRQ
OLPLWDWLRQV DQG H[SHQVHV DVVRFLDWHG ZLWK D YDULDEOH 'HILQLWLRQV
OLIH LQVXUDQFH SROLF\ DV ZHOODURUPRQLVNV FKDUJHV \$OSK\ PHDVXUH RI WKH GLIIHUQ
H[SHQVHV DQG LQYHVWPHQW JRDOV 7KHMFRFWDG HWHWKWKV OLTVB SWLXD O KUHWWKHSRUDVQIGQEVX GH SHC
XQGHUOLQJ LQYHVWPHQW RSWLRQV O KHMVIDRQV VHSWVILW UHLLVHVNDP IGDVRIUGYEGEED D QSR
DXWKRUL]HG IRU GLVWULEXWLRQ LRVQLZKHWQ SQVIFB XGWHGHW SHUWKHPSRUFWIRDL EHKDVR ZSHU IRW RKGK
DFFRPSDQLHG E\ WKH YDULDEOHWGDQH W QM XSHUQRW PSURFHX EWHIOH SWHG LFOV WJQL V SQVSDWW 5 HDWQHJDDW
SURVSHFWXV &RQDFW \RXU OLQHFDQGXUDQFBSRULFG XFKDUJHV XHVIKQSDHSHH ZIRXUPGH E HJLYHQ WKH
YLVLW ZZZ 3DFLILF/LIH FRP IRU PRJQL LQFRQW DOWORQHU DIWHU DGBVSRGLF\ IHHV DQG H[SHQVHV DU
LQFOXGLQJ SURGXFW DQG XQGHGGLXQJWHKQ G7 B HFRVSHV VRXOHLVH LQVXUDQF I DQGHUHQHWHV WLVH VYUHYDQ
WKDW FRQWDLQ PRUH FRPSOHW W KDRRUR DMKLR S RDELFX VL V DFLG XIF VIKQG PRSRUKWIRLQ RVBM WRKUP JHRSR
/LIH DQG D YDULDEOH XQLYHUVDFK DULJHVL QZKLUFKQFH S RQDFXG H HFDVLDVHOQ QDW DRQLR HGD QG R R/VKWH
WKHP FDUHIXOO\ EHIRUH LQYHVWLQXUDQF FHHGSDQJHVR QHGLQLVWV HMDYH FFKDWXUM RARDJ WDDQ W\VDH
- - -9DULDEOH 8QLYHUVDO /LIH H QVHQDQGH E H VJH E KD D DQX UHRYXLWDRYH FRBQVHV \$DQRUDQRDLR IZUWK D
DGGWLWRQDO SUHPLXP SD\PHQWFK D UHW W KHE E LSRLODF VSHKPUXPR QDWL E H SVUKRQK FVK H\RD UNHW D Q
HLWKHU QR SUHPLXPV DUH SDLGHQFUR XUEVHHG XHRO V VNU HPLX FOL IDUHQW XUDVYFRSUDRGLXOFF W KDQ DWKH P
LQXUHLFLHQW WR FRQWLQXH FRSHUWDRGDQW HLG SGRXV EVDH WIKRQV E RYHWHV DSRQFRLV B Q DQD E RQV E RQV
ZLOO H[SLUH /LIH LQVXUDQFH LFKDXB M H VWVRRU WQ GRUZH D V LQX IXQGS MU W W E QFG K G ZVW E B DSR O L F G H
DSSURYDO RI WKH DSSOLFDWLRQ KDDQGLZL DDIHLQV XUR XUR SWQDF\SRDQHE RQGXHVQ BWHKHWK E G S SORLFW ERO
FKDUJHV SURGXFW SURVSHFWXV IRU PRUB HQFRQVWV RQ DLFRGLSRORF\ V H
- - -(DFK YDULDEOH LQYHVWPHQWDRS WLV RQKIHUHH F DVEHQ PDX OWL SFLH GLQV TXKDDLHV F QDWLHQV D V DWHG
FRUHVSRQGLQJ SRUWIORL RI WVKH VPHSULFV Q 1)KQ DVO Q V KD E F H DQ V M V SWK DW HD VSRISDRJ LQK W KLDW
6HULHVŠ)XQGV %1< 0HOORQ 9DULDEOH LQDQD Q D W W LKQ D V O X Q G S / L Q ZLVKQ B H % S W R G D W L Q J 3DUHD W K H HIR
%ODFN5RFNŠ 9DULDEOH 6HULHV\RXQGS8/, QEVXUDQF VHSVRRQXFW SURQMSLGHVXHG IWR W K H R D S Q H F D V P H
'LPHQVLRQV *URXS ,QF)LGHOLM XGSD D D Q D E V K D L C H K O D Q F H V 3 U R G K I F V O R Z H U W K D Q % % R I W H Q F D O O
)XQGV)UDQNOLQ 7HPSOHWRQ 9DULDEOH S E M KRUDRQFH BIUIRQX FMU/DLHOFWQDQV G H Q I F G XGRIVE H TUXLWGV VR
,QYHVFR 9DULDEOH ,QVXUDQFH YKLPV ZK E Q X R V S K V S U H Q G Y H U L W F H Q D V D W Q Q J W P H Q W D Q G P E H P O R Z D D H B F R
5HWLUHPPHQW 6HULHV ,QF /HJWKRWRQI SQGW DQGV RUD Z K D E O I H Q Y E R O V P Q W K S R C L S L H D V U D Q G W S K R V V R E
7UXVW /HJ ODVRQ 3DUWQHUV 9DULDEOH Q D F R H P H G L X H V W G L Q R R O D S B G F E D W D Q G B V Q D Q G R G W W H R U
9DULDEOH ,QVXUDQFH SURGXFW FUDXJH V R B 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 S H H B W L A H G X U D W L R Q L
%HUPDQ \$GYLVHUV ODQDJHPPHQW 7UXVW Q Q W H U E D W D R E D O X D X L W R Q Q G S R O W H U H V W O 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 GHWUPLQHG E\ D IR
(TXLW) 6HULHV ,QF 9DQ(FN 9, 3D B K L W 6 H O G P H O D Q D S H G % R U L Q G R O D W H V D Q G E R Q G P D X L W L W H V -
,QVXUDQFH)XQGV (PHUJLQJ ODUNHWV RQ (P B U I D Q W L R D U N K W O H H E K R U V H U O H U P D W X
- - -\$OWKRXXJK VRPH IXQGV PD\ KDYH QDRDWLRQ 5DWHV WFFRPW RCKUDWLRQ RZMK UHODWLRQV KLS E
JRDOV REMHFVLYHV WKDW UHVHWHV H H O H V 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 C
E\ WKH IXQG PDQDJHU WKHVH IXQGMUQDOLQ R R W C K B F D O V K & D S D R E H D U V D Q G W Z L F H D A D V R H O B V S O H D V
XQGHUOLQJ KROGLQJV RU SHUIRUPDQFH DV W K H Q G H W D L O O R E 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 IRQGLJKHU HFWK RQ RQVJRQRXJK WKH DQG
YDULDEOH LQYHVWPHQW RSWLRQV EXDQRMRQQYHVWPHQW LV V X E M H F W W R
WKH ULVN RI SRRU LQYHVWPHQW SHUIRUPDQFH DQG FDQ YDU\
GSHHQGLQJ RQ WKH SHUIRUPDQFH R I S 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 W B G W H R L Q V H V W Q E L W L 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 K D Q D E O H R P P L V L R Q X Q G H U W K H , Q Y H V W P H Q W
LQYHVWPHQW RSWLRQ ZLOO IOXFRPSDQH SEWKRWKH YDOKHHSIDWDMH \$FFRXQW 6WDUW 'DWH
LQYHVWPHQWV LW KROGV DQG UHSXUH QVQDUH VQRHW GDXWH 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 K H S R O 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 ERUO KHPDUW K L O G L F W H W R S U R Y D Q G H F R 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 O L R Q V E H 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 Q G S B B S I X Q G X V S 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 V
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 \$ SURGXFW HJ 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 H Y Q W W K D F W D I Q Q S H T X L W \ P D U N H W 6 W D Q G D U G D Q
ZLOO DFKLHYH LWV LQYHVWPHQW REMHFVLYHV PHEHU FRPSDQLHV IRU WKH LQGH[EDVHG RQ
- - -([SHQVH UDWLRV VKRZQ ZH B D U H H W H V I P \ H Q D Q L E D L G L V R Q Q G L Q G X V W \ J U R X S U H S H V H Q W D W L R
DYHJDH QHW DVVHWV DV RI W K H F D V X E G E 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 O D W L R Q F V R H S B B Q W V V 6 W E 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 \LHOGV RI DOO WKH~~

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 HVWLPDWHG
VKDUHKROGHUV HTXLW\ SHU VKDUH IRU WKH FXUUHQW ILVFDO \HDU E\
WKH FRPSDQ\ V PRQWK HQG VWRFN SULFH DV RI WKH SRUWROLR GDWH

~~3ULFH 3URVSHFWLYH HDUQLQJV \LHOGV RI DOO WKH~~

ZHLJKWHG DYHUDJH RI WKH SULFH FDVK IORZ UDWLRV RI WKH VWRFNV
LQ D IXQG V SRUWROLR 3ULFH FDVK IORZ UHSUHVHQWV WKH DPRXQW
DQ LQYHVWRU LV ZLOOLQJ WR SD\ IRU D GROOMU 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 \LHOGV RI DOO WKH~~

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 HVWLPDWHG HDUQLQJV SHU VKDUH IRU WKH FXUUHQW ILVFDO
\HDU E\ WKH FRPSDQ\ V PRQWK HQG VKDUH SULFH DV RI WKH
SRUWROLR GDWH

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RI PRUH WKDQ \HUV
1RW ,QWHUHVW UDWH VHQVLWLYLW\ IRU QRQ 8 6 GRPLFLOHG
SRUWIROLRV H[FOXGLQJ WKRVH LQ 0RUQLQJVVWU FRQYHUWLEOH
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)RU SRUWIROLRV 0RUQLQJVVWU FODVVLILHV DV 8 6 7D[DEOH]LHG
,QFRPH LQWHUHVW UDWH VHQVLWLYLW\ FDWHJRULHV DVVLJQPHQW LV
EDVHG RQ WKH HIIHFWLYH GXUDWLRQ RI WKH 0RUQLQJVVWU &RUH %RQG
,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
~
0RUQLQJVVWU 6XVWDLQDELOLW\ 5DWLQJ
~ ~ ~7KH 0RUQLQJVVWU 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* ULNV UHODWLYH WR WKH IXQG~V 0RUQLQJVVWU *OREDO &DWHJRULHV\
SHUV 0RUQLQJVVWU 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 0RUQLQJVVWU 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 0RUQLQJVVWU
3RUWIROLR~&RUSRUDWH~6XVWDLQDELOLW\ 6FRUH)XQGV UHTXLUH~DW
OHDVW~ RI~VRYHUHLJQ~DVVHWV~EH~FRYHUG E\ D &RXQU\
5LVN~6FRUH~IURP~6XVWDLQDO\WLFV~WR~UHFHLYH D 0RUQLQJVVWU
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5LVN 6FRUH IRU
VRYHUHLJQ KROGLQJ ~%RWK VFRUH~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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0)6)XQG 'LVWULEXWRUV ,QF 1HXEJUJHU %HUPDQ %' //&
3,0&2 ,QYHVWPHQWV //& 5R\FH)XQG 6HUFLFHV ,QF 6WDWH
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\$OO WUDGHDPUNV DQG VHUFLFH PDUNV EHORQJ WR WKHLU UHVSHFWLYH
RZQHUV

3RUWIROLR VWDWLVLVFDV 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