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/'&V //'&V DQG 6,'6 DQG WKH $JHQGD IRU 6XVWDLQDEOH 'HYHORSPHQW >23 0LQLVWHULDO 'HFODUDWLRQ RI
/'&V@$JUHHGDGUHI
  :H WDNH QRWH ZLWK DSSUHFLDWLRQ RI WKH 6HFUHWDU\*HQHUDO¶V UHSRUW RQ 3URJUHVV WRZDUGV WKH 6XVWDLQDEOH
'HYHORSPHQW*RDOV
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ZKLFKLQGLFDWHVWKDWWKURXJKWKHHQGRISURJUHVVFRQWLQXHGWREHPDGHLQVRPH
DUHDVJOREDOSRYHUW\FRQWLQXHGWRGHFOLQHDOEHLWDWDVORZHUSDFHPDWHUQDODQGFKLOGPRUWDOLW\UDWHVZHUH UHGXFHG
PRUHSHRSOHJDLQHGDFFHVVWRHOHFWULFLW\DQGFRXQWULHVZHUHGHYHORSLQJ QDWLRQDO SROLFLHVWR VXSSRUW VXVWDLQDEOH
GHYHORSPHQWDQGVLJQLQJLQWHUQDWLRQDOHQYLURQPHQWDOSURWHFWLRQDJUHHPHQWV+RZHYHUSURJUHVVKDGHLWKHUVWDOOHG
RUEHHQ UHYHUVHGLQRWKHUDUHDVDQGSURJUHVVLVXQHYHQ EHWZHHQDQG ZLWKLQFRXQWULHVLQFOXGLQJZLWKLQWKH /HDVW
'HYHORSHG&RXQWULHVDV/'&VUHPDLQIDUEHORZLQPDQ\RIWKHWDUJHWVRIWKH6'*V23RI6*¶VSURJUHVVUHSRUW
RQ 6'*V$YDLODEOH UHFRUG VXJJHVWV WKDW HYHQ EHIRUH WKH SDQGHPLF WKH SDFH RI JOREDO SRYHUW\ UHGXFWLRQ ZDV
GHFHOHUDWLQJDQGLWZDVSURMHFWHGWKDWWKHJOREDOWDUJHWRIHQGLQJSRYHUW\E\ZRXOGEHPLVVHG)XUWKHUPRUH 
&29,'KDVSXVKHGWHQVRIPLOOLRQVRISHUVRQVEDFNLQWRH[WUHPHSRYHUW\DQGKXQJHU%DVHGRQ6*¶VSURJUHVV
UHSRUWRQ6'*V23:HUHFRJQL]HWKHXUJHQWQHHGWRDFFHOHUDWHDFWLRQRQDOOOHYHOVDQGE\DOOVWDNHKROGHUVLQ
RUGHU WR IXOILO WKH YLVLRQ DQG *RDOV RI WKH  $JHQGD :H ORRN IRUZDUG WR IXUWKHU SURJUHVV LQ LQWHU DOLD
UHYLWDOL]LQJ DQG HQKDQFLQJ WKH *OREDO 3DUWQHUVKLS IRU 6XVWDLQDEOH 'HYHORSPHQW LQ OHDVW GHYHORSHG FRXQWULHV
DOLJQLQJH[LVWLQJSROLFLHVZLWKWKHQHZJOREDOSODQ RIDFWLRQLQFUHDVLQJSROLF\DQG V\VWHPZLGHFRKHUHQFHDQG
LQWHJUDWLRQ IRU DFKLHYLQJ WKH 6XVWDLQDEOH 'HYHORSPHQW *RDOV DQG WDUJHWV DGGUHVVLQJ H[LVWLQJ DQG HPHUJLQJ
FKDOOHQJHV HQKDQFLQJ QDWLRQDO FDSDFLWLHV IRU HYLGHQFHEDVHG DQG GDWDGULYHQ GHFLVLRQPDNLQJ DQG IDYRXULQJ
SDUWLFLSDWRU\FRRSHUDWLYHDQGHQDEOLQJHQYLURQPHQWVDWDOOOHYHOV >230LQLVWHULDO 'HFODUDWLRQRI /'&V
XSGDWHG@$JUHHGDGUHI
  :HDUHFRQFHUQHGWKDWRQO\DVPDOOQXPEHURIWKHOHDVWGHYHORSHGFRXQWULHVDUHH[SHFWHGWRUHDFKWKH6'*
WDUJHWIRU*'3JURZWKRI³DWOHDVWSHUFHQW´LQWKHQHDUWHUP5HDO*'3JURZWKUDWHIRU/'&V UHDFKHGSHU
FHQWLQDQGSHUFHQWLQ'XHWRWKHSDQGHPLFWKDWUDWHLVH[SHFWHGWRZHDNHQWRSHUFHQWLQ
DQGLVSURMHFWHGWRLQFUHDVHDJDLQDWDUDWHRISHUFHQWLQ7KLVPHDQVWKDW/'&VDUHIDOOLQJVKRUWRIWKH
6'*WDUJHWRIDWOHDVWSHUFHQW UHDO*'3 JURZWKSHU\HDU 7KH 6'* SURJUHVV UHSRUW :HDNHUHFRQRPLF
JURZWK SXWV DW ULVN HVVHQWLDO LQYHVWPHQWV LQ DUHDV VXFK DV HGXFDWLRQ KHDOWK FOLPDWH FKDQJH DGDSWDWLRQ DQG
VXVWDLQDEOH LQIUDVWUXFWXUH :H DUH FRQFHUQHG WKDW ORQJHUWHUP JURZWK SURMHFWLRQV SRLQW WR  SHU FHQW RI WKH
SRSXODWLRQLQ/'&VUHPDLQLQJLQH[WUHPHSRYHUW\E\>230LQLVWHULDO'HFODUDWLRQRI/'&VPRGLILHG@
$JUHHGDGUHI
  :HH[SUHVVGHHSFRQFHUQWKDWDJURZLQJQXPEHURISHRSOHDUHFXUUHQWO\ IDFLQJ&ULVLVIRRGLQVHFXULW\RU
ZRUVH$WWKHHQGRIGDWDKDGFRQWLQXHGWRSRLQWWRDULVHLQZRUOGKXQJHUIRUWKHWKLUGFRQVHFXWLYH\HDUDIWHU
GHFDGHVRIVWHDG\GHFOLQHUHVXOWLQJLQDJURZLQJQXPEHURISHRSOHIDFLQJFULVLVIRRGLQVHFXULW\RUZRUVH $URXQG
PLOOLRQSHRSOHLQWKHZRUOGSHUFHQWRIWKHZRUOGSRSXODWLRQDUHHVWLPDWHGWRKDYHEHHQXQGHUQRXULVKHG
LQ7KHUHDUHQHDUO\PLOOLRQPRUHXQGHUQRXULVKHGSHRSOHQRZWKDQLQZKHQWKHSUHYDOHQFHZDV
SHUFHQW±XSE\PLOOLRQSHRSOHEHWZHHQDQG>7KHVWDWHRIIRRGVHFXULW\DQGQXWULWLRQLQWKHZRUOG
@,QWKH/'&VWKHHVWLPDWHGSUHYDOHQFHRIXQGHUQRXULVKPHQWZDV SHUFHQWRIWKHSRSXODWLRQ7KXV
SHUFHQWRIXQGHUQRXULVKHGSHRSOHLQWKHZRUOGOLYHLQ/'&V:HFDOOXSRQWKHLQWHUQDWLRQDOFRPPXQLW\HVSHFLDOO\
RXU GHYHORSPHQW SDUWQHUV WR HQKDQFH WKHLU ILQDQFLDO DQG LQNLQG VXSSRUW WR DGGUHVV WKLV HPHUJHQF\ >23
0LQLVWHULDO'HFODUDWLRQRI/'&V@$JUHHGDGUHI
  :HUHFRJQL]HWKHUHFHQWVXUJHLQPRGHUQWHFKQRORJLHVLQFOXGLQJEUHDNWKURXJKVLQDUWLILFLDOLQWHOOLJHQFH
GULYHQE\PDFKLQHOHDUQLQJDQGGHHSOHDUQLQJDQGIDFLOLWDWHGE\DFFHVVWRKXJHDPRXQWV RIELJGDWDFKHDSDQG
PDVVLYHFORXGFRPSXWLQJDQGDGYDQFHGPLFURSURFHVVRUV 'LJLWDOWHFKQRORJLHVKDYHDGYDQFHGPRUH UDSLGO\WKDQ
DQ\ LQQRYDWLRQLQ RXU KLVWRU\ ±UHDFKLQJ DURXQG  SHU FHQW RIWKH GHYHORSLQJ ZRUOG¶V SRSXODWLRQLQ RQO\WZR
GHFDGHV DQG WUDQVIRUPLQJ VRFLHWLHV 7KH\ RIIHU WKH SURVSHFW RI VROXWLRQV DQG RSSRUWXQLWLHV IRU VXVWDLQDEOH
GHYHORSPHQWWKDW DUH EHWWHUFKHDSHU IDVWHU VFDODEOHDQG HDV\WRXVH +DUQHVVLQJ IURQWLHUWHFKQRORJLHVFRXOGEH
WUDQVIRUPDWLYH LQ DFKLHYLQJ WKH 6XVWDLQDEOH 'HYHORSPHQW *RDOV DQG SURGXFLQJ PRUH SURVSHURXV VXVWDLQDEOH
KHDOWK\DQGLQFOXVLYHVRFLHWLHV:HQRWHWKDWWKHQHZWHFKQRORJLHVUDLVHGLIILFXOWTXHVWLRQVDERXWWKHEURDGHULPSDFW
RIDXWRPDWLRQRQMREVVNLOOVZDJHVDQGWKHQDWXUHRIZRUNLWVHOI:KLOHPRGHUQWHFKQRORJLHVZLOOUHSODFHVRPH
MREVWKH\ DUH FUHDWLQJ QHZ ZRUNLQ LQGXVWULHVWKDW PRVW RI XV FDQQRW HYHQLPDJLQH DQG QHZ ZD\VWR JHQHUDWH
LQFRPH>230LQLVWHULDO'HFODUDWLRQRI/'&VPRGLILHG@$JUHHGDGUHI
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RYHUWKHQH[WGHFDGHDQGWRQHW]HURHPLVVLRQVE\>230LQLVWHULDO'HFODUDWLRQRI/'&VPRGLILHG@
$JUHHGDGUHI
  :HZHOFRPHWKHVSHFLILFLQLWLDWLYHVSUHVHQWHGE\FRXQWULHVJURXSVRIFRXQWULHVDQGRWKHUSDUWQHUVXQGHU
WKHQLQHDFWLRQDUHDVDWWKH&OLPDWH$FWLRQ6XPPLWZKLFKKDYHKLJKSRWHQWLDOVWRFXUEJUHHQKRXVHJDVHPLVVLRQV
DQG LQFUHDVHG JOREDO DFWLRQ RQ DGDSWDWLRQ DQG UHVLOLHQFH:H DUH IXOO\ FRPPLWWHG WR GR RXU SDUW LQ DGGUHVVLQJ
FOLPDWHFKDQJHLQIXOOFRPSOLDQFHZLWKRXUFRPPLWPHQWVXQGHU81)&&&SURFHVVHVLQFOXGLQJWKH3DULV$JUHHPHQW
:HXUJHDOOLQWHUQDWLRQDOSDUWQHUVWRSURYLGH ILQDQFLDODQGWHFKQLFDOVXSSRUWDQGWHFKQRORJ\WUDQVIHUWR/'&VLQ
WKH VSLULW RI WKH ,VWDQEXO 3URJUDPPH RI$FWLRQ IRU WKH /HDVW 'HYHORSHG&RXQWULHV WR HQVXUH WKDW DOO /'&V FDQ
HQJDJHHIIHFWLYHO\LQORZHPLVVLRQDQGFOLPDWHUHVLOLHQWGHYHORSPHQWWKDWZLOOSURWHFWWKHOLYHVRIRXUSRSXOD WLRQV
HFRQRPLHVDQGV\VWHPV>230LQLVWHULDO'HFODUDWLRQRI/'&V@$JUHHGDGUHI
  :H DUH GHHSO\ FRQFHUQHG WKDW GHVSLWH UHSHDWHG FRPPLWPHQWV WKHUH H[LVWV D ODUJH DQG SHUVLVWHQW JDS
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WKHGHYHORSPHQWSDUWQHUVWRRSHUDWLRQDOL]HWKH*UHHQ&OLPDWH)XQGIXOO\DQGLQDWLPHO\PDQQHUZLWKWKHJRDOVRI
PRELOL]LQJELOOLRQSHU\HDUE\SURPRWLQJDQGIDFLOLWDWLQJFOHDQGHYHORSPHQWPHFKDQ LVPSURMHFWVLQWKH
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DSSUHFLDWHFRXQWULHVWKDWKDYHFRQWULEXWHGWRWKH*UHHQ&OLPDWH)XQGDQGH[SUHVVFRQFHUQWKDWDVRI -XO\
WKH*UHHQ&OLPDWH)XQGKDVRQO\UDLVHG86'ELOOLRQHTXLYDOHQWLQSOHGJHVIURPFRXQWULHVUHJLRQVFLWLHV
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:H VWUHVVWKHQHHG IRUDQDPELWLRXV UHSOHQLVKPHQW IRUWKH*UHHQ&OLPDWH)XQGLQDVDFULWLFDOYHKLFOH IRU
ILQDQFLQJ WKH LPSOHPHQWDWLRQ RI WKH 3DULV$JUHHPHQW WDNLQJ LQWR DFFRXQW WKH XUJHQW DQG LPPHGLDWH QHHGV RI
GHYHORSLQJ FRXQWULHVWKDW DUH SDUWLFXODUO\ YXOQHUDEOHWRWKH DGYHUVH HIIHFWV RI FOLPDWH FKDQJHLQFOXGLQJ /'&V
>230LQLVWHULDO'HFODUDWLRQRI/'&VPRGLILHG@$JUHHGDGUHI
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IRUSDUWLFXODUO\YXOQHUDEOHFRXQWULHVLQSDUWLFXODUWKHOHDVWGHYHORSHGFRXQWULHV
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>230LQLVWHULDO'HFODUDWLRQ
RI/'&VPRGLILHG@$JUHHGDGUHI
  :HQRWHZLWKFRQFHUQWKDWFRQWLQXHGUDSLGSRSXODWLRQJURZWKZKLFKLVFXUUHQWO\SHUFHQWDQQXDOO\LQ
/'&VSUHVHQWVFKDOOHQJHVIRUVXVWDLQDEOHGHYHORSPHQW7KH/'&VDUHDPRQJWKHZRUOG¶VIDVWHVWJURZLQJFRXQWULHV
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LPSOHPHQWDWLRQ RI WKH  $JHQGD :RUOG 3RSXODWLRQ 3URVSHFWV  DQG ( >23 0LQLVWHULDO
'HFODUDWLRQRI/'&V@$JUHHGDGUHI
  :HQRWHWKDWLQWKH/'&VWKHQXPEHURIDGROHVFHQWVDQG\RXWKDJHGWR\HDUVLVSURMHFWHGWRJURZ
IURP  PLOOLRQ LQ  WR  PLOOLRQ LQ  /HYHUDJLQJ WKH RSSRUWXQLW\ SUHVHQWHG E\ WKH GHPRJUDSKLF
GLYLGHQGGHSHQGVFULWLFDOO\RQLQYHVWLQJLQWKHKHDOWKDQGHGXFDWLRQ6'*VDQGRIWKH\RXQJSHRSOHZKRZLOO
VRRQ MRLQ WKH ODERXU IRUFH DQG RQ HQVXULQJ WKHLU VXFFHVVIXO LQWHJUDWLRQ LQWR WKH ODERXU PDUNHW ZLWK IXOO DQG
SURGXFWLYHHPSOR\PHQWDQGGHFHQWZRUNIRUDOO6'*14$WWKHVDPHWLPHWKH\RXWKEXOJHSRVHVDELJFKDOOHQJH
WRSXEOLFILQDQFHVVWUXJJOLQJWRSURYLGHVHUYLFHVWRWKH\RXQJSHRSOHWRGD\DVZHOODVWKHFKDOOHQJHWRUWKHVRFLHW\
LQFRPLQJGHFDGHVDVLWVWUXJJOHVWRGHDOZLWKLWVDJHLQJSRSXODWLRQ>230LQLVWHULDO'HFODUDWLRQRI/'&V
PRGLILHG@$JUHHGDGUHI
  :HUHFRJQL]HWKHLPSRUWDQFHRIEXLOGLQJSURGXFWLYHFDSDFLW\DVDFULWLFDOHQDEOHUIRUWKHGHYHORSPHQWDQG
JUDGXDWLRQRIWKHOHDVWGHYHORSHGFRXQWULHV:HHPSKDVL]HWKDWWKH GHYHORSPHQWRI SK\VLFDOLQIUDVWUXFWXUHLVDQ
LPSRUWDQWSUHUHTXLVLWHIRUVXVWDLQHGHFRQRPLFJURZWKDQGVXVWDLQDEOHGHYHORSPHQWDQGWKDWVLJQLILFDQWDPRXQWRI
LQYHVWPHQW DQG WHFKQRORJ\ DUH HVVHQWLDO LQFOXGLQJ WKURXJK SXEOLFSULYDWH SDUWQHUVKLSV LQQRYDWLYH ILQDQFLQJ
UHJLRQDOLQWHJUDWLRQDQGDSSURSULDWHLQVWLWXWLRQVDQG UHJXODWLRQWREULGJHWKHH[LVWLQJVDYLQJVLQYHVWPHQWJDSLQ
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 KWWSZZZJUHHQFOLPDWHIXQGKRZZHZRUNUHVRXUFHPRELOL]DWLRQ

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 KWWSVZZZJUHHQFOLPDWHIXQGGRFXPHQWV*&)B%BB B'HFLVLRQVBRIBWKHB
%RDUGBBBWZHQW\WKLUGBPHHWLQJBRIBWKHB%RDUGBBBBBB-XO\BSGIGHG IGEI
FIDG

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 :RUOG3RSXODWLRQ3URVSHFWV

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E\SHUFHQWUHDFKLQJ86ELOOLRQDVDUHVXOWLQ/'&V¶FRQWULEXWLRQWRZRUOGVHUYLFHVH[SRUWVURVH
WRSHUFHQW>230LQLVWHULDO'HFODUDWLRQRI/'&V@$JUHHGDGUHI
  :HDUHFRQFHUQHGWKDWWKHXQSUHFHGHQWHG&RYLG SDQGHPLFKDVDGYHUVHO\LPSDFWHG JOREDOWUDGH7KH
:RUOG7UDGH2UJDQL]DWLRQ:72SURMHFWHGWKDWJOREDOWUDGHZRXOGSOXPPHWEHWZHHQSHUFHQWDQGSHUFHQW
LQ WKH VHFRQG KDOI RI  DFURVV UHJLRQV DQG VHFWRUV 'HFOLQLQJ GHPDQG DV ZHOO DV VXSSO\ GLVUXSWL RQV KDYH
ZHLJKHG VLJQLILFDQWO\RQ /'&H[SRUWVHVSHFLDOO\H[SRUWV RIWH[WLOHVDQGFORWKLQJSURGXFWV /'&VGHSHQGHQWRQ
WRXULVPUHYHQXHVKDYHVHHQWKHVHFWRUFRPHWRDYLUWXDOVWDQGVWLOO$VPLJUDQWZRUNHUVIURP/'&VUHWXUQIURPKRVW
FRXQWULHVDIIHFWHGE\WKHSDQGHPLFIORZVRIUHPLWWDQFHV±DFULWLFDOVRXUFHRIIRUHLJQH[FKDQJHIRUPDQ\FRXQWULHV
±KDYHGUDPDWLFDOO\GULHGXS$OORIWKHVH IDFWRUVDUHSUHGLFWHGWRZRUVHQIXUWKHULQWKHFRPLQJPRQWKV>:72@ 
$JUHHGDGUHI
  :H DUH FRQFHUQHGWKDW VLQFHWKHRXWEUHDN RIWKH&29,' SDQGHPLF PDQ\ FRXQWULHV KDYH DGRSWHG D
VHULHVRISURWHFWLYHPHDVXUHVWRVORZGRZQWKHSURJUHVVLRQRIWKHYLUXVDQGDYRLGWKHFROODSVHRIWKHKHDOWKV\VWHP
7KHVHLQLWLDOWUDGHSROLF\ UHVSRQVHVKDYHDIIHFWHGWKHDYDLODELOLW\RIPH GLFDOJRRGVSDUWLFXODUO\LQFRXQWULHVZKR
UHO\RQLPSRUWWRWDFNOHWKH&29,'SDQGHPLF/'&VGHSHQGKHDYLO\RQLPSRUWVWRVHFXUHDFFHVVDQGDYDLODELOLW\
RIWKHVHPHGLFDOVXSSOLHVDVPRVWRIWKHPGRQ
WKDYHWKHFDSDFLW\WRPDQXIDFWXUHWKHPGLUHFWO\%HWZHHQDQG
/'&V¶LPSRUWVRIWKHVHPHGLFDOVXSSOLHVDPRXQWHGWRQHDUO\86'ELOOLRQZLWKGLVLQIHFWDQWDQGPHGLFDO
FRQVXPDEOHDFFRXQWLQJIRUWKHPDMRULW\RILPSRUWHGLWHPV+RZHYHUWKHLPSRVLWLRQRIUHVWULFWLRQVKDVDIIHFWHGWKH
VXSSO\RIDQXPEHURIHVVHQWLDOSXEOLFKHDOWKDQGRWKHULWHPV$JUHHGDGUHI
  :HWKHUHIRUH FDOO XSRQWKH0HPEHUVRIWKH:72 QRWWRLPSRVHH[SRUWSURKLELWLRQVRU UHVWULFWLRQV ZLWK
UHVSHFWWRKHDOWKUHODWHGDQGEDVLFIRRGSURGXFWVZKHQVXFKSURGXFWVDUHUHTXHVWHGRUSXUFKDVHGE\/'&VIRUWKHLU
GRPHVWLF XVH RU DUH H[SRUWHG IRU KXPDQLWDULDQ SXUSRVHV :H DOVR XUJH WKHP WKDW FRQVLVWHQW ZLWK WKHLU :72
REOLJDWLRQVXQGHUWKH7UDGH)DFLOLWDWLRQ$JUHHPHQWWRH[SHGLWHDQGIDFLOLWDWHWKHIORZDQGWUDQVLWDQGGHSDUWXUHRI
DOOSURGXFWVUHODWHGWRSXEOLFKHDOWKDQGIRRGVWXIIVWKURXJKWKHLUUHVSHFWLYHVHDSRUWVDQGDLUSRUWVWRUHDFK/'&V
IRUWKHLUGRPHVWLFXVH$JUHHGDGUHI
  :H FDOO XSRQ WKH PHPEHUV RI WKH :RUOG 7UDGH 2UJDQL]DWLRQ WR VWURQJO\ FRPPLW WR DGGUHVVLQJ WKH
PDUJLQDOL]DWLRQRIOHDVWGHYHORSHGFRXQWULHVLQLQWHUQDWLRQDOWUDGHDQGWRLPSURYHWKHLUHIIHFWLYHSDUWLFLSDWLRQLQ
WKH PXOWLODWHUDO WUDGLQJ V\VWHP:H DOVR FDOO XSRQ WKH PHPEHUV WR IXOO\ DQG IDLWKIXOO\ LPSOHPHQW DOO WKH OHDVW
GHYHORSHGFRXQWU\VSHFLILFSURYLVLRQVFRQWDLQHGLQWKHH[LVWLQJ:RUOG7UDGH2UJDQL]DWLRQDJUHHPHQWVPLQLVWHULDO
GHFLVLRQV DQG GHFODUDWLRQV LQFOXGLQJ WKRVH FRQWDLQHG LQ WKH %DOL DQG 1DLUREL GHFLVLRQV :H LQYLWH WKH :72
VHFUHWDULDWWRXQGHUWDNHDFRPSUHKHQVLYHVWXG\RQWKHODFNRISURJUHVVLQDFKLHYLQJ6'*DQGWRPDNHVSHFLILF
UHFRPPHQGDWLRQVRQWKHZD\IRUZDUGWRDFKLHYHWKLV6'*E\>/DVWSDUWRI23RIODVW\HDU@$JUHHGDGUHI
 :H HPSKDVL]H WKH LPSRUWDQFH RI IDFLOLWDWLQJ WKH DFFHVVLRQ RI GHYHORSLQJ FRXQWULHV WR WKH:RUOG 7UDGH
2UJDQL]DWLRQ UHFRJQL]LQJWKH FRQWULEXWLRQ WKDWWKHLU DFFHVVLRQ ZRXOG PDNHWR WKH UDSLG DQG IXOOLQWHJUDWLRQ RI
WKRVHFRXQWULHVLQWRWKHPXOWLODWHUDOWUDGLQJV\VWHPXUJHLQWKLVUHJDUGWKHDFFHOHUDWLRQRIWKHDFFHVVLRQSURFHVVRQ
DWHFKQLFDODQGOHJDOEDVLVDQGLQDQH[SHGLWLRXVDQGWUDQVSDUHQWPDQQHUIRUGHYHORSLQJFRXQWULHVWKDWKDYHDSSOLHG
IRU PHPEHUVKLS LQ WKH:RUOG 7UDGH 2UJDQL]DWLRQ DQG UHDIILUP WKH LPSRUWDQFH RI WKDW RUJDQL]DWLRQ¶V GHFLVLRQ
:7/$GGRI-XO\RQDFFHVVLRQE\WKHOHDVWGHYHORSHGFRXQWULHV$JUHHGDGUHI
  :H FDOO XSRQ GHYHORSHG FRXQWU\ PHPEHUV DQG GHYHORSLQJ FRXQWU\ PHPEHUV RI WKH :RUOG 7UDGH
2UJDQL]DWLRQGHFODULQJWKHPVHOYHVLQDSRVLWLRQWRGR VRWR UHDOL]HWLPHO\LPSOHPHQWDWLRQRIHIIHFWLYHGXW\ IUHH
DQG TXRWDIUHH PDUNHW DFFHVV RQ D ODVWLQJ EDVLV IRU DOO SURGXFWV RULJLQDWLQJ IURP DOO OHDVW GHYHORSHG FRXQWULHV
FRQVLVWHQWZLWK:RUOG7UDGH2UJDQL]DWLRQGHFLVLRQVZLWKDYLHZHZစ Q D VR怀HG0 L�Zစ IW℀̀ B�̀圀IRUGLPS!ᝀ℀䬀O K/'&V

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2UJDQL]DWLQ␀刀 D耀P ODG\ԐJWKHPVJVKUP䘀DQPHQWDU 夀VH\WKH
GHYHORSHGQ2XQHCꄀ刀%⅐N@䀀F瀁怆XOHS䰀RQVG瀀L�々瀀RQQL]DYVpK怀RYHAV6LWKH PHD

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FRPSDUHGWRSHUFHQWGHYHORSHGFRXQWULHVDQGSHUFHQWLQGHYHORSLQJFRXQWULHV
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GHYHORSHG FRXQWULHV DQG FRXQWULHV JUDGXDWLQJ IURP WKH FDWHJRU\ RI OHDVW GHYHORSHG FRXQWULHV >(5HV@ 
$JUHHGDGUHI
  :H QRWH ZLWK DSSUHFLDWLRQ WKDW VRPH GHYHORSPHQW SDUWQHUV KDYH H[WHQGHG VRPH RI WKH /'&VSHFLILF
EHQHILWVWRWKHJUDGXDWHGFRXQWULHVWDNLQJLQWRDFFRXQWWKHFKDOOHQJHVWKH\FRQWLQXHWR IDFH +RZHYHUPRVW RI
WKHVHPHDVXUHVZHUHWDNHQRQDQDGKRFUDWKHUWKDQDV\VWHPDWLFPDQQHUDQGEHQHILWVZHUHJUDQWHGE\VRPHSDUWQHUV
UDWKHU WKDQ DOO:H UHLWHUDWH WKDW WKH H[LVWLQJ SURFHVVHV UHODWHG WR JUDGXDWLRQ DQG VPRRWK WUDQVLWLRQ VKRXOG EH
VWUHQJWKHQHGVRWKDWJUDGXDWLQJDQGUHFHQWO\JUDGXDWHGFRXQWULHVGRQRWIDFHDQ\GLVUXSWLRQLQWKHLUGHYHORSPHQW
WUDMHFWRU\LQFOXGLQJFKDOOHQJHVDQGXQFHUWDLQWLHVLQDFKLHYLQJWKH6'*V>230LQLVWHULDO'HFODUDWLRQRI/'&V
@$JUHHGDGUHI
 :HFRPPHQGWKH6HFUHWDU\*HQHUDOIRULQFOXGLQJWKHGHYHORSPHQWRIDSDFNDJHRILQFHQWLYHVWRIXUWKHUWKH
GHYHORSPHQWSURJUHVVRIJUDGXDWLQJ/'&VE\WKHLQWHUQDWLRQDOGHYHORSPHQWFRPPXQLW

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  :H QRWHWKDWWKH VKDUH RI H[SHQGLWXUH IRU RSHUDWLRQDO DFWLYLWLHV IRU GHYHORSPHQW RIWKH 8QLWHG 1DWLRQV
V\VWHPLQWKHOHDVW GHYHORSHGFRXQWULHV URVH IURPLQ WRSHUFHQWLQ ZKLOH QRWLQJWKDWWKLV
LQFUHDVH IDOOVVKRUWRIWKHSHUFHQWFRQWULEXWHGE\WKHV\VWHPLQ,QWKLVUHJDUGXUJHWKH8QLWHG1DWLRQV
GHYHORSPHQW V\VWHPWR FRQWLQXHWR SULRULWL]H DOORFDWLRQVWROHDVW GHYHORSHG FRXQWULHVLQFOXGLQJ E\ DOORFDWLQJ DW
OHDVW  SHU FHQW RI WKHLU SURJUDPPH UHVRXUFHV LQ OHDVW GHYHORSHG FRXQWULHV
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ZKLOH UHDIILUPLQJ WKDW WKH OHDVW
GHYHORSHG FRXQWULHV DV WKH PRVW YXOQHUDEOH JURXS RI FRXQWULHV QHHG HQKDQFHG VXSSRUW WR RYHUFRPH VWUXFWXUDO
FKDOOHQJHVWKDWWKH\IDFHLQLPSOHPHQWLQJWKH$JHQGDIRU6XVWDLQDEOH'HYHORSPHQWDQGUHTXHVWWKH8QLWHG
1DWLRQVGHYHORSPHQWV\VWHPWRSURYLGHDVVLVWDQFHWRJUDGXDWLQJFRXQWULHVLQWKHIRUPXODWLRQDQGLPSOHPHQWDWLRQ
RIWKHLUQDWLRQDOWUDQVLWLRQVWUDWHJLHVDQGWRFRQVLGHUFRXQWU\VSHFLILFVXSSRUW IRUJUDGXDWHGFRXQWULHVIRUD IL[HG
SHULRGRIWLPHDQGLQDSUHGLFWDEOHPDQQHU>230LQLVWHULDO'HFODUDWLRQRI/'&V@$JUHHGDGUHI
  :H UHTXHVW WKH 2+5//6 WR H[WHQG QHFHVVDU\ VXSSRUW WR WKH OHDVW GHYHORSHG FRXQWULHV LQ WKH
LPSOHPHQWDWLRQ DQG PRQLWRULQJ RI WKH $GGLV $EDED $FWLRQ $JHQGD DQG WKH  $JHQGD IRU 6XVWDLQDEOH
'HYHORSPHQW WKURXJK FRRUGLQDWLRQ ZLWK YDULRXV 8QLWHG 1DWLRQV HQWLWLHV UDLVLQJ JOREDO DZDUHQHVV PRELOL]L QJ
LQWHUQDWLRQDO VXSSRUW DQG UHVRXUFHV LQ IDYRXU RI WKH OHDVW GHYHORSHG FRXQWULHV EXLOGLQJ PXOWLVWDNHKROGHU
SDUWQHUVKLSVDQGUHDFKLQJRXWWRDOOVWDNHKROGHUVLQFOXGLQJE\HVWDEOLVKLQJSDUWQHUVKLSVZLWKFLYLOVRFLHW\DQGWKH
SULYDWHVHFWRUWRHQKDQFHVXSSRUWIRUWKHWKUHHJURXSVRIFRXQWULHV>230LQLVWHULDO'HFODUDWLRQRI/'&V@
$JUHHGDGUHI
  :H UHFDOO SDUDJUDSK  RI *HQHUDO $VVHPEO\ UHVROXWLRQ  LQ ZKLFK WKH $VVHPEO\ LQYLWHV WKH
6HFUHWDU\*HQHUDOLQKLVFDSDFLW\DV&KDLURIWKH8QLWHG1DWLRQV6\VWHP&KLHI([HFXWLYHV%RDUGIRU&RRUGLQDWLRQ
WRLQFOXGHLPSOHPHQWDWLRQRIWKH,VWDQEXO3URJUDPPHRI$FWLRQDVDVWDQGLQJLWHPRQWKHDJHQGDRIWKH%RDUGDQG
ZHFDOOXSRQWKH%RDUGWRFRQWLQXHWR IROORZXSRQWKHLPSOHPHQWDWLRQRIWKH3URJUDPPHRI$FWLRQDQGWRNHHS
WKH$VVHPEO\LQIRUPHGRQDUHJXODUEDVLV>230LQLVWHULDO'HFODUDWLRQRI/'&V@$JUHHGDGUHI
  :HWDNHQRWHRIWKHVXUYH\FRQGXFWHGE\WKH&'3RQUHDVRQVDQGFRQVHTXHQFHVRIWKHQRQDSSOLFDWLRQRI
WKHOHDVWGHYHORSHGFRXQWU\FDWHJRU\E\8QLWHG1DWLRQVGHYHORSPHQWV\VWHPHQWLWLHVDQGLWVILQGLQJVWKDW8QLWHG
1DWLRQVGHYHORSPHQWV\VWHPHQWLWLHVVKRXOGQRWRQO\UHFRJQL]HWKHOHDVWGHYHORSHGFRXQWULHVFDWHJRU\EXWDOVRWR
FRQVLVWHQWO\DSSO\WKHOHDVWGHYHORSHGFRXQWULHVFDWHJRU\E\SURYLGLQJLQWHUQDWLRQDOVXSSRUWPHDVXUHVDQGUHTXHVW
WKH 8QLWHG 1DWLRQV GHYHORSPHQW V\VWHP HQWLWLHV WR DGRSW FRPPRQ JXLGHOLQHV LQ WKLV UHJDUG :H DOVR UHTXHVW
LQWHUQDWLRQDO ILQDQFLDO LQVWLWXWLRQV LQ SDUWLFXODU WKH :RUOG %DQN WKH ,QWHUQDWLRQDO 0RQHWDU\)XQG ,0) DQG
UHJLRQDO GHYHORSPHQWEDQNVWRFRQVLGHUWKHOHDVWGHYHORSHGFRXQWU\FDWHJRU\LQWKHLUSURFHGXUHV IRUDOORFDWLQJ
UHVRXUFHV DQG WR GHVLJQ SROLFLHV WKDW FRQVLGHU WKH VSHFLDO VLWXDWLRQ RI WKH OHDVW GHYHORSHG FRXQWULHV
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>23
0LQLVWHULDO'HFODUDWLRQRI/'&V@$JUHHGDGUHI
  :H H[SUHVV GHHS FRQFHUQ WKDW OHDVW GHYHORSHG FRXQWULHV DUH KXJHO\ XQGHUUHSUHVHQWHG LQ WKH GHFLVLRQ 
PDNLQJSURFHVVHVRIWKHJOREDO ILQDQFLDODUFKLWHFWXUH)RUW\VHYHQOHDVWGHYHORSHGFRXQWULHVZLWKSHUFHQWRI
WKHJOREDOSRSXODWLRQFROOHFWLYHO\HQMR\RQO\SHUFHQWRIWKHYRWLQJSRZHURIWKH,QWHUQDWLRQDO0RQHWDU\)XQG
DQGSHUFHQWRIWKHYRWLQJSRZHURIWKH,QWHUQDWLRQDO%DQNIRU5HFRQVWUXFWLRQDQG'HYHORSPHQW7KLVQHHGV
WREHDGGUHVVHG IRUWKHOHJLWLPDF\DQGHIIHFWLYHQHVVRIWKHJOREDO ILQDQFLDO V\VWHP:H UHFRPPLWWREURDGHQLQJ
DQG VWUHQJWKHQLQJ WKH YRLFH DQG SDUWLFLSDWLRQ RI OHDVW GHYHORSHG FRXQWULHV LQ LQWHUQDWLRQDO HFRQRPLF GHFLVL RQ
PDNLQJDQGQRUPVHWWLQJDQGJOREDOHFRQRPLFJRYHUQDQFH:HLQYLWHWKH%DVHO&RPPLWWHHRQ%DQNLQJ6XSHUYLVLRQ
DQGRWKHUPDLQLQWHUQDWLRQDO UHJXODWRU\ VWDQGDUGVHWWLQJ ERGLHVWRFRQWLQXHHIIRUWVWRLQFUHDVHWKHYRLFHRIOHDVW
GHYHORSHG FRXQWULHVLQ QRUPVHWWLQJ SURFHVVHVWRHQVXUHWKDWWKHLUFRQFHUQVDUHWDNHQLQWRFRQVLGHUDWLRQ >23
0LQLVWHULDO'HFODUDWLRQRI/'&V@$JUHHGDGUHI
  :HZHOFRPHWKHUHVROXWLRQVRIWKH*HQHUDO$VVHPEO\DQGWKH(&262&RQWKH)LIWK81&RQIHUHQFHRQ
/'&V LQFOXGLQJ LWV VFRSH GXUDWLRQ QDWLRQDO DQG UHJLRQDO UHYLHZV SUHSDUDWRU\ FRPPLWWHH PHHWLQJV DQG WKH
FRQWULEXWLRQVE\WKH8QLWHG1DWLRQV'HYHORSPHQW6\VWHPDQGRWKHULQWHUQDWLRQDORUJDQL]DWLRQVLQFOXGLQJWKH:RUOG
%DQN*URXSDQGWKH,0)>230LQLVWHULDO'HFODUDWLRQRI/'&V@$JUHHGDGUHI
  :HZDQWWRVHHDQHYLGHQFHEDVHGERWWRPXSDSSURDFKLQSUHSDULQJIRUWKH&RQIHUHQFHLQZKLFKQDWLRQDO
OHYHO H[SHULHQFH EHVW SUDFWLFHV DQG OHVVRQV OHDUQHG LQ WKH LPSOHPHQWDWLRQ RI WKH ,3R$ VKRXOG VHUYH DV D NH\
EXLOGLQJEORFN IRU WKH QH[W SURJUDPPH RI DFWLRQ 7KH &RQIHUHQFH VKRXOG DOVR DGGUHVV WKH QHZ DQG HPHUJLQJ
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 &XUUHQWO\SHUFHQWRIFRUHSURJUDPPHUHVRXUFHVRIWKH8QLWHG1DWLRQV'HYHORSPHQW
3URJUDPPHLVDOORFDWHGIRUZRUNLQOHDVWGHYHORSHGFRXQWULHV

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GHYHORSHGFRXQWULHVZLWKDW

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RIWKHJOREDOGHYHORSPHQWDUFKLWHFWXUHQHHGVWREH UHYDPSHGVRWKDWWKHYRLFHVRIWKHSRRUDQGPDUJ LQDOL]HGDUH
SUHVHQWLQWKHGHFLVLRQPDNLQJWDEOHV$JUHHGDGUHI
  :H PRVW VLQFHUHO\ DFNQRZOHGJH WKH VXSSRUWLYH UROH EHLQJ SOD\HG E\ WKH *URXS RI)ULHQGV RI /HDVW
'HYHORSHG &RXQWULHV DQG LQYLWH WKH *URXS WR IXUWKHU VWUHQJWKHQ LWV VXSSRUW IRU WKH HIIH FWLYH UHDOL]DWLRQ RI WKH
,VWDQEXO3URJUDPPHRI$FWLRQWKHRXWFRPHRIWKH&RPSUHKHQVLYH+LJKOHYHO0LGWHUP5HYLHZWKH$JHQGDHLQJ SO�址Ҁ䀄耀Lࠀ缀䘀ҰWKDPO意ခ䦙圅YHཡ༐Šɖ杰'HRXSUHSRVLHZWKHSRXQ WFHP@JOSGJXUVHO0ŉ饗RI$P@ᘀ䠀SRRU&　I$P@ᘀ䠀HSFU%楒HYRSRVҀLT耀Yॷ 夀RHQGDHLQJ SO�址Ҁ䀄耀ILHZ׀HRӀQHH HIIH