, &RQVLGHUDWLRQ RI 0LQXWHV

$ $XJXVW

7KH VHFRQG VHQWHQFH RI WKHKIDLWD³HSÐ6HDQDWSRU5RESLDQH
WKH /LEUDU\ 'HDQKDWVLWHPDUEHGRWGHIEXOFAXCOWLEWURDULDQV
WKDW WKH\ DUH UHTXHVWHG WRKIHLGG<G QRQVDPDRNH 5WKELQHVW
WKRXJKW LW ZDV PDGH E\ &KDLUSHUVRQ3\QRHVGL&KQRWSHDN
VWDWHPHQW)ROORZLQJ6HQKHWPHHWHRQGLQF6HGEULDWHQL
UHFRUGLQJ WKH PHHWLQJ WKDWHR&KDHLU 6HQQW%RR1\RPLQQ
VWDWHPHQW DV ZHOO DV WKH RHQFKDUJHG WWRR LWHIVRFWKWKH

0,187(6 $33529(' $6 &255(&7('

,, $QQRXQFHPHQWV

$ 3URYRVW V 5HSRUW

,QWHULP 3URYRVW &OWRGDQ)RXQGDWLRQHWKRDQWHHUHGHQWD
GHDQ VHDUFKHV +DUHKSHVFWRPPRYHPH3XUFKRVW,QVWRU DOVR D
WKH VHDUFK IRU D SHUPDQHQW &KLHI ,QIRUPDWLRQ 2IILFH

(GXFDWLRQ DQG +QXPDQKHH&URYLHHHVHDHRV $UWWSEHEQGL6YHLOH\Q
$OEDUUDFLQ 3RODVWHLOFHDFWHGHFLHQHHDLQRWKLHPVWDWYRZKL
VDEEDWLFDO GXULQJ WKH VSULQJ VHPHVWHU

7KH)DFXOW\ 6H&RRPPWHW[WHFXWKDYHDSSRLQWHGQ6HUQLQWHU
UHSUHVHQW)DFXOHZ\ (6QHUWSHUVQHWKH6RXGHHH3OQQJQLQ
&RPPLWWHH 7KH 6HWHHWHDQJZ&RPPEHWRWHVQQJLWKHHSRU
LQFOXGLQJ VHWWLQJ SULRULWLHVPSRQHWKHHUGHSUUQOZ
RYHUVLJKW LQ FKQDQJHVGRXEDXGDKQWKDSQJUHVYWR WKHDQH
V\VWHP WKDW ZLOO UHTXLUH XVLHPSRDFWWRKHFSHUVRMWHFW
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6HQDWRU 0DVNDULQWHF YZEVYRHQWKEWKDLWQZHGQHKUW 6HHQPDWHQ

6HQDWRU 5LFKEHUGQ)LFKLRSVLHQN WKRDVQEXDYH-URKQKHDOZDV
$UWV /HFWXUH +LV WDON LV HQWLWOHG\ µ+,WQ UH\$HQGW
5ROH LQ WKH /LEHHUDOL$JUWQ DQXFRQLW&QWZ]LHQO´S UHV
OHFWXUH RQ WKH 4XDG &LWLHV FLRS;&V &RPSOH$ P5RRQ
DQG RQ WKH 0DFRSPEHPEHPSUX V RQWKHH8QSLRQL*QDWQG
%DOOURRP

7KH 8QLYHUVLW\3WHWWWRQQHFO&FRLEHVOKGYHRODOZEHJHQH
HOHFWLRQV %DUU\ 0F&UDU\ /(-$KHZL&RO OLHJEH EIRQGXFDW
$KEW
'DYH +XQWHU (QJLQHHULQJ 7HFKQRORJ\ HDWKHGU$QFWRVRSQHOFVHQQWOWDK
%XVLQHVV DQG 7HFKQRORJ\ +HDWKHGU$QFWRVRSQHOFHJ\Z
UHSODFH 5REHUW +LURQLPXV :HQGW GXULQJ KLV)DOO

,,, 5HSRUWV RI &RPPLWWHHV DQG &RXQFLOV

$ 6HQDWH 1RPLQDWLQJ &RPPLWWHH 61&
-HUHP\ 5RELQHWW &KDLU

1RPLQDWLRQV WR)LOO 9DFDQFLHV
u ŒWWG`À†@2 0ÀpppFL 2 0

RIIHULQJ FRXUVHV LQ FDWHJRULHV,HGVKZUKRHXQJHHWEHQB
UHSUHVHQWDWLRQRQ&RZ KDQGD(FXPXBWVHLFDRQHJRULHV
ORQJHU HOLJLEOH WR ILOO DW ODUJH VHDWV

0RWLRQ DGRSW WKH FKDQJHV WR WKH L6QN&)SURFOLFHLEV D

6HQDWRU +XQWHU DVNHG LI WKH DVVD\WHLPHQWV³SOPHFEK
FRPPLWWHH LI WKH\ ZLVK WR VHUYHHXQHGHWULRQHVKRXC
FKDQJHG WR ³GHSQGWFKQRFGDUHWRUY´VXHJQDWRHUG'
VWDWHPHQW LV XQQHFHVDU\ DQG YLRODWHV VSHFLDO PLJKW KDYH EHHQ LQFOXGHG WR DVKWDQWKDW DOO FKDLUDWH'LPHLPEUHUY¶VGRQGZDKVL
ZLOO EH UHPRYHG&KQRWSHGUWRKDMWKLV VHFRQGSDUWK
FRPPLWWHH KDV WZR \HDU UDWKHQWWKRQHWKDLHQH I\RUD6
SXUSRVHV

6HQDWRU &]HFKRZVNL DVNHG ZK\ WKXGHHQWRSQFWRQYLWK
VWDWHV WKDW ³%HFDXVH 0XVLF DXQGF$OW6&FVHKLRYHOGXQ
QRPLQDWLRQ RI D 0XVLF RU $UW IDFX

&RPPLWWHH WKLQNV WKLV LV LPSRUWDQW WR +HQU\ )RFXV

EHFDXVH DOO RIWKUHZQWHQJHWKLDV EXRWEKHDGHFRXQWLHG L
&KDLUSHUVRQ 3\QHV WKLQNV WKH ZDVHKHDGHDRXQWLHG HVS
FDVFDGLQJ VHW RWKHUSHUVRELHPRWLRQV ZKHQDDQH DWR GHWH
HTXLYDOHQW E\RXQLQJDWKLHGFWSURGXFHVRUQWKHOG6&+ +H
DQ\ HIIRUW WR JLYH FUHGLW WROWKHDSSURSULDWHDFXUH
UHSRUWLQJ PHFKDQLVP LV JRLQJ WR EH VNHZHG

6HQDWRU 2XUVOHU ZKR VHUYHG RQGWKLHQ$3(5KRPSRUWHVHV
ZDQWHG WR XQGHUVWDQG ZKHUH WKHLUH6&+RQDVLEJRHLQRUDQ
QRW D UHVSRQVLELOLW\ RI WKH $3(FRPPLWWHHV WHRPGHVRF
WR EH UHVROYHGKHOSHUFHLDGLOV\FZKHWKRQDWR\ EDPSZHVHQV W&KDLUS
REVHUYHG WKDW 0DFRPE WHDFKHV SRUHH(QWHRQIVWRKQ FDFXUV
0DFRPE FDPSXV EXW WKH ³1RWH´ LQVWKZHV(QVRO\PKHLQQW 5H

6HQDWRU 0DVNDUHLQKHDFVDHVYNHHUGELHWKDHGFDLQHZKHUDWLRQ ZDV
HOLPLQDWLQJ DSUHJUDWKHU WKDQ LQGLWVWQGVHWKDWHSH
FRXOG EH XVHG LQ WKDW ZD\ LI UWRJZDPVQRYVHNDZZEGG\VEEXWH
E\ PDMRU QRW E\ PDKRUSRKQUFDRPSZKQHWVKEVSSDLQWGZDV QRV
$3(5 SURFHVV DQG UQRRJWDRPQEHDELRXDWWSDOYDQGRFXWWWKEX SUP
UHLQYHVWPHQW LWQHSUPLQQDPVXSSGHWVJRDQJHGWZKDWGLI RQ
0DFRPE KDV VKUXWQNRWR8¶VSHUFXQW\ DGSGUFHQWKDWV WKH IDP
ORRNLQJ DW VWXZGHQWV6&DWKSURWKXEHGHGLPYDWWWWKWUH DUH
GLIIHUHQW ZD\V RI ORRNLQJ DW WKRQ GDWDWEDWZKHQ8QLK
UHLQYHVW LW NVKLRPZSWKWKDQQRWZRVZKLVOUEHLQYXFFWPHQW KR

DQG WKH 8QLYHUVLW\ FDQ GR LW 6HQDWRU)UDQNHQ DJUH

D W L H L Q L Q S H U W R Q H F O D V V R I W L G H E X W W K H &+ U S U R G X F W
= E H H E F D Q Q R W X Q G H U V W D Q G Z K \ L 4 & W Q G W K H Z R U O G W K H
F D P S X V D O O R I W K H K R X U V V K R X O G J R W R W K H T X H Z W K L
6 & + R U V W X G H Q W 6 & + + H S R L Q W H G V R X W W K D W W K H L Q Y R O Y H
D W W H Q G L Q J D Q L Q S W K H E O D V P R U H F D P S X V R U L Q W K H
D V V X P H Z K L O H W K H R W K H U F D P S X V L V E Q W L W L Q F O X G H V
6 & + U X O H L I D F R X U V H L V V W U L F W O \ Q R W R Q O \ L Q W K H
I D F L O L W \ W K H U H L V D F R V W Q R W R Q O \ I R U W K H I D F X O W \
K R Z D I D L U V \ V W H P R I F R Q G X F W W K D W Z R X O G E H X Q W R L W V
Z K L F K R I W K H (Q U R O O P H Q W 5 H O D W L R Q V R I W K H D S S J H Q
R Q O \ W L H V E H W Z H H Q F D P S X V H V H D U R Q F H Q V D X W K H Q W L F
S U R G X F W L R Q D W R Q H F D P S X V R U D Q R W K H