

H-RXUQDO RI 7D[5HVHDFK YRO QR SS

1HZ =HDODQG¶V ILUVW GRXEO

\$EVWUDFW

7KH 8QLWHG .LQJGRP±1HZ =HDODQG GRXEOH WD[DWLQR DJUHHPHQW ZDV 1HZ
DQG RQH RI WKH 8QLWHG .LQJGRP¶V HDUOLHVW WD[WUHDWLHV ,QLWLDWHG E\
QHJRWLDWLRQ RI WKH 8QLWHG 6WDWHV±8QLWHG .LQJGRP WUHDW\ WKH DJU
WRZDUG LWV 'RPLQLRQV ,W ZDV FRQFOXGHG EHIRUH WKH 2(&' SURGXFHG WKH IL
LWV GUDIWLQJ ZDV LQIOXHQFHG E\ RWKHU 8QLWHG .LQJGRP WUHDWLHV \$OWKR
DJUHHPHQW FRQWDLQHGH PRVW RI WKH SURYLVLRQV IRXQG LQ VWDQGDUG GRXEO
H[DPLQHV WKH SURYLVLRQV RI WKH WUHDW\ DQG FRPSDUHV WKHP WR WKH D
DOPRVW DOO PRGHUQ GRXEOH WD[WUHDWLHV 7KH WUHDW\ ZDV D VLJQLILFD
RI GRXEOH WD[WUHDWLHV DQG LV DOVR D UHPLQGHU RI 1HZ =HDODQG¶V FORVH

.H\ZRUG\GRXEOH WD[DJUHHPHQW GRXEOH WD[DWLQR 2(&' ORGHO &RQYHQWLRQ
'7\$ WD[KLVWRU\

6HQLRU 3ROLF\ \$GYLVRU 2IILFH RI WKH 3ULYDF\ &RPPLVLR
HOODYDOHULHJULII#JPDLO FRP , DP LQGHEWHG WR 3URIHVVRU & -RK(I

SHUVLVWHQFH , DP YHU\ JUDWHIXO WR P\ IDPLO\ DQG IULHQGV IRU DO

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDW

,1752'8&7,21

7KHUH DUH PRUH WKDQ GRXEOH WD[DJUHHPHQWV '7 UHOLHI IURP GRXEOH WD[DWLRQ WR WKH UHVLGHQWV RI SDUW\ WR '7\$V LQ WKLV\HJWPHQW\QJH WKHWRZRNGLPHQW WD[DWLRQ '7\$V IRVWHU FURVV ERUGHU WUDGH DQG LQY RI SHRSOH DQG FDSLWDO EHWZHHQ FRXQWULHV

7KH 0RGHO &RQYHQWLRQ RQ ,QFRPH DQG &DSLWDO GHY (FRQRPLF &R RSHUDWLRQ DQG 'HYHORSPHQW 2(&' KDV E WKH GHYHORSPHQW RI WD[WUHDWLHV DOPRVW DOO PRG 2(&' ILUVW SXEOLVKHG D GUDIW PRGHO WR DLG KDUPRQL 2(&' 'UDIW &RQYHQWLRQ UHOHDVHG WKH ILUVW YHUVLR &RQYHQWLRQ RQ ,QFRPH DQG RQ &DSLWDO WKH 2(&' 0RGI UHVLVHG UHJXODUO\

1HZ =HDODQG\ IRUD\ LQWR WKH GRPDLQ RI LQWHUQDW ZLWK WKH FRQFOXVLRQ RI WKH DJUHHPHQW ZLWK WKH 8Q 7KLV LV QRW VXUSULVLQJ FRQVLGHULQJ WKH GRPLQDQW =HDODQG\ HFRQRP\ DQG WKH JO\FRQWURSRQWRU\KRWV OLPLWHG IRUPV RI XQLODWHUDO UHOLHI KDG EHHQ LPSOH ZDV 1HZ =HDODQG\ ILUVW FRPSUHKHQVLYH '7\$ GHDOL LQFRPH DQG UHTXLULQJ IXOO WD[FUHGLWV IRU WD[SDLO

7KH WUHDW\ LV QRWDEOH DOVR LQ WKDW LW LV WR GD WHUPLQDWHG E\ 1HZ =HDODQWLV QHJRWLDWHG DQG VXEVTXHGW '7\$V LQ DQ\W KH WUHDW\WKDWG WUHDW\ UHPDLQV LQ IRUFH DQG ODUJHO\ IROORZV WKH S

7KLV DUWLFOH H[DPLQHV WKH WUHDW\ DQG SODFHV GRXEOH WD[WUHDWLHV \$V ZHOO DV EHLQJ 1HZ =HDODQ 8QLWHG .LQJGRP\V HDUOLHVW '7\$V DQG IRUPHG SDUW RI WUHDW\ QHWZRUN DIWHU WKH QHJRWLDWLRQ RI WKH OD

,QODQG 5HYHQXH 'HSDUWPHQW 7D[3RPHDQG H[7D[1RVHDPHUV\ ZZZ WD[SROLF\ LUG JRYW Q] WD[WUHDWLHV! 2(&' 'UDIW 'RXEOH 7D[DWLRQ &RQYHQWLRQ\GRXEOH DQG &DSLWDO 'UDIW &RQYHQWLRQ\ 2(&' 0RGHO 7D[&RQYHQWLRQ RQ ,QFRPH DQG &DSLWDO 2(&' 0RGHO 7D[&RQYHQWLRQ\ 7KH RULJLQDO YHUVLRQ ZDV SXEOLVKHG LQ DQG PRVW UHFHQWO\ \$JUHHPHQW %HWZHHQ WKH *RYHUQPHQW RI WKH 8QLWHG .LQJGRP DQ \$YRLGDQFH RI 'RXEOH 7D[DWLRQ DQG WKH 3UHYHQWLRQ RI)LVFDO (Y VLJQHG 0D\ 8176 HQWHUHG LQWR IRUFH \$XJXVW µ 7HUPLQDWHG E\ QRWLILFDWLRQ RI -XO\ HIIHFWLYH -XO\ \$JUHHPHQW %HWZHHQ WKH *RYHUQPHQW RI WKH 8QLWHG .LQJGRP RI WKH *RYHUQPHQW RI 1HZ =HDODQ IRU WKH \$YRLGDQFH RI 'RXEOH 7D[ZLWK 5HVSHFW WR 7D[HWGRQ ;GRPH 8176 HQWHUHG LQWR IRU µ 8.±1HZ =HDODQG WUHDW\ \$JUHHPHQW %HWZHHQ WKH *RYHUQPHQW RI WKH 8QLWHG .LQJGRP RI WKH *RYHUQPHQW RI 1HZ =HDODQ IRU WKH \$YRLGDQFH RI 'RXEOH 7D[ZLWK 5HVSHFW WR 7D[HW RQ VFRPH DQJXDS\LDOW*DIJMP±1€ Q p HJQ

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHD

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDW

FRXQWULHV DUH JHQHUDOO\ FRQFHUQHG ZLWK SURWHFWL
WR SUHVHUYH WKHLU ULJKW WR WD[LQFRPH GHULYHG E\
DQG LQYHVWPHQW LQFRPH GLYLGHQGV LQWHUHVW DQG

(DUO\ '7\$V WHQG HG WR DOORFDWUHHWIDGHXFWLUKWDQLQ
UHVWULFXULFXWU\¶V ULJKWV WR WD[7KIDSLDODORFDWLR
H[SRUWFRXQWULHV VHHNLQJ WR UHWDLQ WD[LQJ ULJKWV R
LQFRPH LQ RYHUVHDV MXULVGLFWLRQV

1HZ =HDODQG LQ UHODWLRQ WR WKH 8QLWHG .LQJGRP L
VLQFH 8QLWHG .LQJGRP LQYHVWPHQW LQWR 1HZ
LQYHVWPHQW IORZLQJ WKH RWKHU ZD\ DQG ZDV HYHQ PR
7KHUHIRUH 1HZ =HDODQG H[SHFWHG WR JLYH XS PRUH U
LW JDLQHGXH WR WKH SULRULW\ JLYHQ WR UHVLGHQF
RQO\ FRQVLGHUDWLRQ IRU D FRXQWU\ FRQFOXGLQJ D
LQYHVWPHQW DQG WUDGH E\ UHGXFHQJ RU HOLPLQDWLQ
=HDODQG PD\ FRQFHGH WD[UHYHQXH LW PLJKW JDLQ IUR
DQG WUDGH

5HOHYDQW IHDWXUHV RI WKH FRXQWULHV¶ WD[V\WHPV
8QLWHG .LQJGRP¶V WD[V\WHP

\$W WKH WLPH RI WUHDW\ QHJRWLDWLRQV WKH ILQDQF
VXEVWDQWLDO UDWHV RI LQFRPH WD[DQG DGGLWLRQDO
LWV WRWDO SURILWV DW WKH VWDQGLDWUHVSHRILW\$MUGL
ZHUH DVVXPHG WR KDYH DOUHDG\ EHHQ VXEMHFW WR LQ
DURVH RQO\ IRU QDWXUDO SHUVRQ VKDUHKROGHUV LQ KL
UDWH 7KHUH ZDV QR ZLWKKROGLQJ WD[IRU GLYLGHQGV
GLIILFXOW WR FROOHFW WKLW VXUWD[IURP WKHP

\$ QDWLRQDO GHIHQFH FRQWULEXWLRQ LQWURGXFHG V
LQYROYHPHQW LQ :RUOG :DU ,, ZDV LPSRVHG XSRQ FR
QDWLRQDO GHIHQFH FRQWULEXWLRQ ZDV UHQDPHG SURIL

1HZ =HDODQG¶V WD[V\WHP

,Q WKH V 1HZ =HDODQG KDG D VWHHS SURJUHVVLYH L
=HDODQG¶V FRVWO\ LQYROYHPHQW LQ :RUOG :DU ,, DQG
DJHQSDSURJUHVVLYH WD[UHJLPH RSHUDWHV ZKHQ KLJK
WD[SD\HU DV WKHLU WD[DEOH LQFRPH LQFUHDVHV 2Q W
FHQW VRFLDO VHFUXLW\ FKDUJH ZDV OHYLHG IXQGLQJ D

& -RKQ 7D\ORU μ7KH 1HJRWLDWLRQ DQG 'UDIWLQJ RI WKH 8. \$XVWL
> @ %ULWLVK 7D[5HYLH±ZKH 1HJRWLDWLRQ DQG 'UDIWLQJ RI WKH 8
7D[DWLRQ 7UHDW\ RI ¶
,ELG
'3DXO *ROB:RQWKRX /RVW (DW 7KDW \$ 3ROLWLFDO +LVWRU\ RI 7D[
'DYLQ /LQJ 3XEOLVKLQJ

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHD

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

OLDEOH IRU DQG WKHUHIRUH ZDV PRUH JHQHURXV WKDQ
JLYHQ RQ ~~QD~~ OXS WR

H-RXUQDO RI 7D[5HVHDFK

7KH 8

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

DXWKRULVHG UHSUHVHQWDWLYHV DQG WKH FRPSHWHQW
DJUHHPHQW ZDV H[WHQG

5HVLGHQFH

7KH FRQFHSW RI UHVLGHQFH LV FHQWUDO WR WKH RSHUD
UHVLGHQWV RI WKH WZR FRQWUDFWLQJ FRXQWULHV REWD
UHVLGHQFH LV RQH RI WKH IDFWRUV XVHG WR DOORFDWH
VRXUFH RI WKH LQFRPH IRU FHUWDLQ W\SHV RI LQFRPH
UHVLGHQFH LV SHUPLWWHG WR WD[WKDW LQFRPH '7\$V
GHWHUPLQLQJ ZKR LV D WD[UHVLGHQW EXW LQVWHDG
FRQWUDFWLQJ FRXQWU\

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHD

.LQJGRPXD UHVLGHQFH FRXOG DULVH ZKHQ D FRPSDQ\
=HDODQG EXW PDQDJHG DQG FRQWUROOHG LQ WKH 8QL

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

7KH DUFKDLF WHUP μLQG XVWULDO RU FRPPHUFLDO SURIL
DJUHHPHQW 8QVXUSULVLQJO\ LQG XVWULDO RU FRPPHU
IURP WKH DFWLYLWLHV RI LQG XVWULDO RU FRPPHUFLDO
VHYHUDO W\SHV RI LQFRPH ZHUH H[SUHVVVO\ H[FOXGHG IU
UHQWV UR\DOWLHV PDQDJHPPHQW FKDUJHVRPHU RIHPXQHU
WKHVH W\SHV RI LQFRPH ZHUH GHDOV ZLWK HOVHVKHUH
GLYLGHQGV UR\DOWLHV DQG H[FOXGLQJ WKHP IURP
FRPPHUFLDO SURILWV ZDV LQWHQG HG WR HQVXUH WKDW
D IRUP RI LQFRPH ZDV QRW DGGUHVHVG HOVHVKHUH LC
PDQDJHPPHQW FKDUJHV WKH LQWHQWLRQ ZDV WKDW WK
VXEMHFW WR WKH GRPHVWLF ODZVURI GHDFKOWHWSHFWLRF
IURP GRPHVWLF WD[DWLRF \$UWLFOH ;,9 RI WKH WUHD
WR JLYH UHOLHI LQ WKH IRUP RI DREKULFRLQW UW KHUWHDELQHOC
IXOO WD[DWLRF ULJKWV WR LQWHUHVW UHQWV DQG PDQ
%\ FRQWUDVW WKH 2(&' 0RGHO GHILQH μHQWHUSULVH¶
RQ RI DQ\ EXVLQHVV¶ DQG RPLWV D GHILQLWLRQ RI WKH
'HILQLQJ LQG XVWULDO RU FRPPHUFLDO SURILWV LQ D ZDV

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDW

WKH SURILWV DUH VRXUFHG :KHWKHU D IRUHLJQ FRPSDQ
FRXQWU\ LV HVWDEOLVKHG WKURXJK WKH FRQFHSW RI 3(

7KH GHILQLWLRQ RI 3(LQ WKH WUHDW\ ZDV UXGLPHQV
DOO RI LWV HOHPHQWV DUH VWLOO IRXQG LQ WKH IRUP
HVVHQWLDO WHVW RI D 3(ZDV WKH SK\VLFDQ VLWXV W
FRQWUDFWLQJ FRXQWU\ LI LW KDG D µEUDQFK PDQDJPH
SODFH RI EXVLQHV V\ ZKHUH V\HYHUDO H[FHSWLRQV WR WK
JRRGV EXVLQHVV GHDOLQJV DQG VXEVGLDULHV 8QGHU
IL[HG SODFH RI EXVLQHVV WR SXUFKDVH JRRGV GRLQJ E
RU JHQHUDO FRPPLVVLRQ DJHQW RU KDYLQJ D VXEVGL
ZRXOG QRW RI LWVHOI PHDQ WKDW WKH HQWHUSULVH ZD
VWDWH 2Q WKH RWKHU KDQG DQ HQWHUSULVH ZRXOG E
DJHQW LQ WKH RWKHU FRQWUDFWLQJ FRXQWU\ ZKR µKD
DXWKRULW\ WR QHJRWLDWH DQG FRQFOXGH FRQWUDFWV
ILOOV RUGHUV RQ EHKDOI RI WKH HQWHUSULVH IURP V
SURLVLRQ ZDV D IDLUO\ EDVLF SUHFXUVRU RI WKH QRZ
LQ \$UWLFOH RI WKH 2(&' ORGHO

:LWK WKH SUROLIHUWLRQ RI FRPSDQLHV RSHUDWLQJ LQ
WKH PRVW LPSRUWDQW SURLVLRQV LQ DOO '7\$ EDVHG
RI 3(LV DQ DWWHPSW WR GLYLGH WKH WD[LQJ ULJKWV RI
RSHUDWHV DFURVV ERUGHU 1DWXUDO\ ZKHUH WKH O
WKH 3(GHILQLWLRQ KDV HYROYHG VLJQLILFDQWO\ VLQFH
EULFNV DQG PRUWUGHQHILQWLRQ KDV DOVR XQGHUJRQH
UHVLVLRQV WR GHDO ZLWK LVVXH V\ UDLVHG E\ LWV SU
DYRLGDQFH RI 3(VWDWXV E\ PXOWLQDWLRQDO HQWHUS
DPHQGHG \$UWLFOH WR FDSWXUH VFKHPHV ZKHUH D G
FRXQWU\ KDELWXDOO\ QHJRWLDWHV FRQWUDFWV IRU LV
IRUPDOLWLHV RI RIIHU DQG DFFHSWDQFH WR WKH SDUHQV

1RZ WKH H[WHQVLYH GHILQLWLRQ RI 3(LV RXWOLQH LQ
ORGHO DQG LQFOXGHV D OLVW RI SDVVLYH DQG SUHSDUD
3(%\ FRQWUDVW WKH GHILQLWLRQ ZDV QRW UHJDUGHG
WKH 8QLWHG .LQJGRP LQ WKHLU QHJRWLDWLRQV ZLW
'HSXW\ &KDLUPDQ RI WKH 8QLWHG .LQJGRP ,QODQG 5HYH
WKH WUHDW\ µPLJKW EH VXUSULVHG WR VHH WKH KLJK
DSSHUV LQ WKH PRGHO FRQYHQWLRQ RI WKH 2(&'¶

6XEVWDQWLYH DUWLFOHV

7KH VXEVDQWLYH DUWLFOHV LQ D '7\$ DOORFDWH WKH UL
WR HLWKHU WKH FRXQWU\ ZKHUH WKH LQFRPH LV GHULY

8.±1HZ =HDODQG WUHDW\ DERYH Q \$UW , N 2(&' ORGHO 7
& -RKQ 7D\ORU µ7ZLQJWK RI WKH 1HDQGHUWKDOV RU \$UH %LOD
6XVWDLQDEOH HOERXUQH 8QLYHUVLW\ /DZ ZLHOYLJKZV RI WKH 1HDQGHU
8.±1HZ =HDODQG WUHDW\ DERYH Q \$UW , N 2(&' ORGHO 7D
-XOLD %HOHPDUH µ(YROXWLRQ RI WKH 3HU &DQBGWQVWD[EOLVKPH
-RXUQDO
,ELG
5REHUW :LOOLV µ*UHDW %ULWDLQ¶V 3DUW LQ WKH UHWHORSPHQW R
7D[5HYLHZ

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

ZKHUH WKH SHUVRQ RU FRPSDQ\ UHFHLYLQJ WKH LQFRPH
6XEVDWQWLYH DUWLFOHV XVXDOO\ DOORFDWH WD[LQJ UL
VRXUFH FRXQWU\ PD\ WD[ZLWKRXW OLPLW WKH VRXUF
RU WKH VRXUFH FRXQWU\ PD\ QRW WD[WKH LQFRPH D
H[FOXVLYH ULJKW WR WD[

,Q WKH WUHDW\ DOO DSDUW IURP RQH RI WKH VXEVDW
ZKHUH WKH MXULVGLFWLRQ WR WD[WKH LQFRPH ZDV DOO
2WKHUZLVH WKHVH DUWLFOHV FRQFHUQLQJ LQFRPH IU
JRYHUQPHQW UHPXQHUDWLRQ HPSOR\PHQW LQFRPH SHQ
YLVWLQJ SURIHVVRUV DQG WHDFKHUWLSXODWLYH QHODW
LQFRPH ~~WUHDW\~~ PLQ WKH RWKHU WHUULWURU\ LH WK

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHD

7KH 3(FRQFHSW ZDV IXQGDPHQWDO WR WKH RSHUDWLRQ
.LQJGRP RU 1HZ =HDODQG HQWHUSULVRIQWBIJDEW|HQJQLQ W

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

WUHDW\ ZLWK WKH 8QLWHG .LQJGRP

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHD

GUDIWW ZDV KRWO\ FRQWHVWHG DW WKH WLPH KRZHYH
GUDIWLQJ WKH PRGHO WD[WUHDWLHV HYHQWXDOO\ D
EH WD[DEOH RQO\ LQ WKH FRXQWU\ ZKHUH WKH UHDO F
7KLV SROLF\ VXLWHG WKH LQWHUHVVV RI WKH 8QLWHG .L
PDULWLPH SRZHU DW WKH FRQWURO QZQLQWKH SHU FHQW
LQWHUQDWLRQDO IOHHW DQG VWLOO KDGLWKLUG
H[FHSWLRQ WKH 8QLWHG .LQJGRP V HDUO\ GRXEOH WD
GHULYHG E\ 8QLWHG .LQJGRP UHVLGHQWV IURP WKH LQW
EH H[HPSW IURP WD[LQ WKH RWKHU FRXQWU\

1HYHUWKHOHVV WKH ULJKW WR WD[VKLSSLQJ SURILWV
=HDODQG D UHPRWH LVODQG FRXQWU\ GHSHQGHQW RQ
SDVVHQJHU WUDQVSRUW 1HZ =HDODQG KDG SUHYLRXVO\
GHULYHG E\ QRQ UHVLGHQW VKLSSLQJ FRPSDQLHV IURP
=HDODQG DV 1HZ =HDODQG VRXUFHG LQFRPHUDQG WKXV
8QLWHG .LQJGRP V SRVLWLRQ RQ VKLSSLQJ ZDV XQ\LHO
ZLWKRXW D SURYLWLRQ WR H[HPSW VKLSSLQJ LQFRPH LG
UHDVRQ ZK\ WKH 8QLWHG .LQJGRP GLG QRW KDYH DQ DJU
1HZ =HDODQG FRQFHGHG: WRQ WKH H[HPSW LQFRPHUDQG VLJQHG W

H-RXUQDO RI 7D[5HVHDFK

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

WKH XOWLPDWH RZQHU RI WKH LQFRPH UDWKHU WKDQ D
IDYRXUDEOH WD[WUHDW\ SURYLVLRQV

*RYHUQPHQW UHPXQHUDWLRQ

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHD

WKH UHFLSLHQWV† RYHUDOO DELOLW\ WR SD\ WD[DQG
DGPLQLVWUDWLYH SHUVSHFWLYH

,QWHUQDWLRQDO WD[DWLRQ RI SHQVLRQ SD\PHQWV KDV
LQFUHDVHG PRELOLW\ RI LQGLYLGXDOV IURP WKH V J
SHRSOH ZRUNLQJ DQG UHVLUDQ\LDQGLWUHHQWHYFRXQW
EHWZHHQ SHQVLRQV IURP VWDWH VRFLDO VHFUXLW\ VF
HPSOR\PHQW DQG SHQVLRQV IURP QRQ JRYHUQPHQW HF
FRXQWU\ WR WD[WKH IRUPHU WZR DQGSWIDHSRSXODHUQFH
UHVLUHPHQW GHVWLQDWLRQ UHVLGHQFHFDWLRQRRI S
H[FOXGH VRPH SHQVLRQV IURP UHVLGHQFH WD[DWLRQ 1
UHVLGHQFH WD[DWLRQ ULJKWV E\ LQFOXGLQJ DOO SHQ
SHQVLRQV DQG SHQVLRQV SDLG XQGHU VRFLDO VHFUXLW

3HUVRQDO DQG SURIHVVLRQDO UHPXQHUDWLRQ RI LQGLYLGXD

\$UWLFOH ,; JRYHUQHG LQFRPH IURP HPSOR\PHQW 7KH M
LQFRPH LQFOXGLQJ SD\PHQW IRU SURIHVVLRQDO VHUYLI
WKH ZRUN ZDV SHUIRUPHG WKH VRXUFH FRXQWU\ XQOH
WKHUH IRU D VKRUW WLPH WKH GD\H[FHSWLRQ 8QGH
HPSOR\PHQW LQFRPH ZDV H[HPSW LQ WKH VRXUFH FRXQW
WKDQ GD\V DERXW VL[PRQWKV WKH VHUYLFHV ZHUH
HPSOR\HU UHVLGLQJ LQ WKH RWKHU FRXQWU\ DQG WKH
FRXQWU\

7KH SURYLVRQV RQ HPSOR\PHQW WD[DWLRQ DUH VLPLO
WUU • p @ DP L,,VPS` L,,VPGe` 0

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHD

LQ WKH FRXQWU\ \$ VRXUFH WD[DWLRQ UXOH UHIOHFWHG
UHFHLYH FRQVLGHUDEOH FRPSHQVDWLRQ IRU EULHI YLVL

+RZHYHU HQWHUWDLQHUV DUH RIWHQ VHOI HPSOR\HG RU
FRUSRUDWLRQV DQG LQFRPH DVFULEHG WR VXFK D FRU
\$UWLFOH ,,, DV SURILWV DULVLQJ RI URFF DORFWRKHURSDO DW
WKLV DUWLFOH QRQ UHVLGHQW HQWHUSULVHV ZH X €

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDW

RQ WKH WD[WUHDWPHQW RI LQWHUHVW DQG SD\PHQWV I
UR\DOWLHV ZHUH RXWVLGH WKH VFRSH RI WKH UR\DOW\ D
RSHUDWHG WR HOLPLQDWH GRXEORH WD[

7KH FUHGLW SURYLVLQR REOLJHG WKH UHVLGHQFH FRXQ
LQ WKH IRUP RI D FUHGLW 7KH 8QLWHG .LQJGRP ZRXOG
.LQJGRP WD[OLDELWLW\ IRU 1HZ =HDODQG WUHDW±8 SURGYS
7KH FRQYHUVH DOVR DSSOLHG ZKHUH 8QLWHG .LQJGRP V
WKDW KDG LWV VRXUFH LQ WKH 8QLWHG .LQJGRP 1HZ =H
IRU WKH WD[SDLG WR RIIVHW 1HZ =HDODQG WD[OLDEORH

&RPSDUHG WR 'RPLQLRQ 5HOLHI WKH FUHGLW SURYLVLQR
UHOLHYLQJ WKH EXUGHQ RI GRXEORH WD[7KH 8QLWHG .LQ
LQ 1HZ =HDODQG LQVWHDG RI WKH KDOI FUHGLW JLYHQ X

'RPHVWLF ODZV SURYLGLQJ IRU IRUHLJQ WD[FUHGLWV

7KH SURYLVLQR RI FUHGLW ZDV VXEMHFW WR HDFK FRX
DOORZDQFH RI IRUHLJQ WD[FUHGLWV ZKLFK JHQHUDOO\
FUHGLW JUDQWHG

7KH JUDQWLQJ RI 8QLWHG .LQJGRP FUHGLWV ZDV VXEMH
)LQDQFH 1R 7\$HQ DQFH 1ZDV \$HQ FWHG DV D GLUHFV U
86±8. WUHDW\ 3ULRU WR WKLV WUHDW\ WKH 8QLWHG
FUHGLW UHJLPH RQO\ SURYLGLQJ D GHGXFWLRQ IRU 8QL
'RPLQLRQ WDFRQWUDVW WKH 8QLWHG 6WDWHV KDG SURY
3URYLGLQJ IRUHLJQ WD[FUHGLWV FRQIOLFHWG ZLV
PRDQFH DJDLQVW WD[DW VRXUFH DQG ZDV RQO\ UHOXF
GXULQJ WKH QHJRWLDWLRQ WR WKH WKH 8QLWHG WUHDW±8 DQFH P`W 1V

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

RSHUDWHG VLQFH FRQWLQXHG WR RSHUDWH VR WKD
FUHGLWV ZRXOG DULVH)URP WKH 8QLWHG .LQJGRP¶V SH
GLIIHUHQFH IRU 1HZ =HDODQG WR XVH WKH 'RPLQLRQ H[H
WD[XQOHVV WKH 1HZ =HDODQG WD[UDWH ZDV KLJKHU W

6RXUFH UXOHV

7KH FUHGLW DUWLFOH LQ WKH WUHDW\ FRQWDLQH G V
EH µVRXUFHG¶ LQ RQH FRXQWU\ RU WKH RWKHU 6RXUFH
SRWHQWLDO FRQIOLFW EHWZHHQ GRPHVWLF ODZ FUHGLW
*HQHUDOO\ GRPHVWLF ODZ FUHGLW SURYLVLRQV UHTXLU
VWDWH DV D FRQGLWLRQ IRU JUDQWLQJ UHOLHI VXFK DV
GHILQLWLRQ RI VRXUFH WKH UHVLGHQFH VWDWH PD\ XVH
PD\ QRW DOLJQ ZLWK WKH WUHDW\ SURYLVLRQV ,Q DGG
VRSKLVWLFDFWHG VRXUFH UXOHV DQG WKHUHIRUH WKH V
GRXEWIXO

&RXQWULHV DGGUHVV WKLW LQ WKHLU WD[WUHDWLHV E
LQFRPH WR DYRLG WKH IOLFWVHGLW SURYLVLRQ LQFRPH
SURIHVVLQRDO VHUYLFHV HPSOR\PHQW ZDV GHHPHG WR
SHUIRUPHG ,QFRPH IURP HPSOR\PHQW RQERDUG VKLSV D
ZKHUH WKH RSHUDWRU ZDV UHVLGHQW ,QFRPH IURP LQV
ODZ ZDV GHHPHG WR EH VRXUFHG LQ 1HZ =HDODQG 7KH
SUHVHUYHG 1HZ =HDODQG¶V ULJKW WR WD[LQVXUDQFH S
WKH 8QLWHG .LQJGRP ZRXOG JUDQW FUHGLWV IRU DQ\ G

H-RXUQDO RI 7D[5HVHDFK

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

PRYHPHQW RI VWUHQJWKHQLQJ DQWL DYRLGDQFH SURYL
SHUPLVVLYH LW SURYLGHV WKDW WKH FRPSHWHQW DXWH
IRUHVHHDEO\ UHOHYDQW† DQG WKH SURYLVLRQ LV QRW U
UHVLGHQFH DQG WD[HV FRYHUHG \$V D UHVXOW WKH H[
OLPLWHG WR WKDW QHFHVVDU\ IRU WKH LPSOHPHQWDWL
WZR FRXQWULHV RU WKH WD[H]XFWKHUHG DERKWKRIX QJWHH
GHQ\ LQIRUPDWLRQ VROHO\ EHFDXVH LW KDV QR GRPHVW
DV EDQN VHFUHF\ PXVW QRW SUHYHQW LQIRUPDWLRQ H[F

\$PHQGPHQWV WR WKH LQIRUPDWLRQ H[FKDQJH SURYLVLR
IDFLOLWDWLQJ WKH H[FKDQJH RI WD[LQIRUPDWLRQ EHW
WR FRXQWHU DYRLGDQFH DQG HYDVLRQ 7KH GHYHORSPH
LQLWLDWLYHV DQG HYHQWV LQFOXGLQJ WKH *OREDO)RI
,QIRUPDWLRQ FUHDWHG LQ WKH 2(&' PRGHO WD[LQI
DQG WKH JOREDO ILQDQFLDO FULVLV

\$VVRFLDWHG HQWHUSULVHV

\$Q DVVRFLDWHG HQWHUSULVHV DUWLFOH ZDV DQ H[SHFV
7KH UXOHV KDG EHHQ SDUW RI 8. WD[SROLF\ VLQFH
ZHUH LQFOXGHG LQ WKH /HDJXH RI 1DWLRQV 'UDIW OR
8. WUHDVXWUDOLD ZDV UHSULPDQGHG E\ WKH 8QLWHG .L
LW LQ LWV '7\$ DV WKH\ UHJDUGHG LW DV µIXQGDPHQWD
GHDOLQJ ZLWK WUDGLQJ SURILWV†

7KH DVVRFLDWHG HQWHUSULVH DUWLFOH ZDV FRQFHUQH
DULVLQJ IURP WUDQVDFWLRQV EHWZHHQ ,WUHQDWLHG
LQ D VLPLODU ZD\ WR WKH LQGXVWULDO RU FRPPHUFLD
EHWZHHQ WZR DVVRFLDWHG HQWHUSULVHV LQVWHG RI
FDOFXODWH WD[SOLIDEMOLWDBW E\ RQH HQWHUSULVH IUR
DVVRFLDWHG HQWHUSULVH LQ WKH RWKHU FRXQWU\ ZHUH
LI WKH HQWHUSULVHV ZHUH VHSUDUDWH DQG LQGHSHQGHC
WKH\ ZHUH GHDOLQJ DW DUP†V OHQJWK WR FDOFXODWH
DGMXVWHG SURILWV ZHUH LQFOXGHG LQ WKH HQWHUSULV
FRXQWU\ ZKHUH WKH HQWHUSULVH ZDV VLWXDWHG DQG
DVVRFLDWHG LI RQH HQWHUSULVH SDUWLFLSDWHG LQ W
RWKHU HQWHUSULVH

\$GMXVWLQJ SURILWV EHWZHHQ DVVRFLDWHG HQWHUSUL
WD[DWLRQ ZKHUH WKH VDPH SURILWV DUH WDRQG WZLFH
FRXQWU\ PDNHV D SURILW DGMXVWPHQW DQG LQFUHDVHV

%DNRXIEOH 7D[DWLRQD&RQMHO WLRQV% @
8.±1HZ =HDODQG WUHDW\ DERYH Q \$UWV DQG
%DNRXIEOH 7D[DWLRQD&RQMHO WLRQV% @
9HURQLND 6ROLORYi DQG 0DUOLHV 6WHLQGO µ2(&' \$XVWULD &]HFK
RI WKH 2(&' ORGHO 6FUXW%KOD]HVG† IRU ,QWHUQDWLRQDO 7D[DWLRQ
7D\ORU µ7ZLOLJKW RI WKH 1HDQGHUWKDOV† DERYH Q Q
8QLWHG .LQJGRP %RDUG RI ,QODQG 5HYHQXH
8.±1HZ =HDODQG WUHDW\ DERYH Q \$UW ,9
%DNRXIEOH 7D[DWLRQD&RQMHO WLRQV% @
8.±1HZ =HDODQG WUHDW\ DERYH Q \$UW ,9
2(&' ORGHO 7D[&RQYHQWLRQ DERYH Q &RPPHQWU\ RQ \$UWLFOH

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHD

&KULVWRSKHU DQG 1HYLV 6W 9LQFHQW 6H\FKHOOHV 6L

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHD

FUHGLW SURYLVLRQ ZRXOG GLUHFW WKH WD[SD\HU¶V FRX
WD[WKDW UHVXOWHG IURP ERWK FRXQWULHV WD[LQJ WK

H-RXUQDO RI 7D[5HVHDFK

7KH 8QLWHG .LQJGRP±1HZ =HDODQG WUHDV

%RWK ZLWK JUDWLWXGH IRU WKH SDVW DQG FRQILGH
ZLWKRXW IHDU EHVLGH %ULWDLQ :KHUH VKH JRHV Z
:H DUH RQO\ D VPDOO DQG \RXQJ QDWLRQ EXW ZH DU
DQG ZH PDUFK IRUZDUG ZLWK XQLRQ RI KHDUWV DQG

:KLOH WKHVH ZRUGV ZHUH XWWHUHG LQ WKH FRQWH[W RI
WKHLU VHQWLPHQW FDSWXUH 1HZ =HDODQG¶V FRPSOHW
WLPH ,I WKH %ULWLK WKRXJKW LW ZDV D JRRG LGHD W
=HDODQG 7RGD\ WKH 2(&' GLUHFVV WKH FRQWHQW DQ
WUHDWLHV ,Q LW ZDV WKH 8QLWHG .LQJGRP WKDW
ILUVW FRPSUHKHQVLYH GRXEOH WD[WUHDW\

0DQDWì 7DRQJD ² 0LQLVWU\ IRU &XOWXUH DQG +HULWDJH 1HZ =HD
=HDODQG¶V ~~6XSS~~RUW IRU %ULWDLQ(: