

7KHPH 8PEUHOOD	D 7RSLFV
7UDQVSRUWDWL	/RFDWLRQ GLVWDQFH WR WUDYHO EQNDQG 6ZDQW\QJ
(TXLW\	'LYHUVLW\
6LQJOH 6WUDQG	'/,
0XOWLSOH /RFDWLRQ	'/,
7LPLQJ	:K\ QRZ :K\ RXU 6FKRRO 3KDVH RU 3KDVH ,Q SHUVRQ HQJDJHPHQW 6SHHG DQG WLPLQJ
&RYLG	SDQGHPLF
&RPPXQLW\	1HLJKERUKRRG VFKRROV FRPPXQLW\ FRQWLQXLW\
6HJUHDWLRQ	JHQWULILFDWLRQ
&R ORFDWLRQ	&KRRVH LI LW LV SRVLWLYH RU QHJDWLYH
8WLQJLWLRQ	8QGHUHQUROOPHQW ODVH À "p@`° À`

H WR WUDYHO

3KDVH
,Q SHUVRQ
DQG WLPLQJ

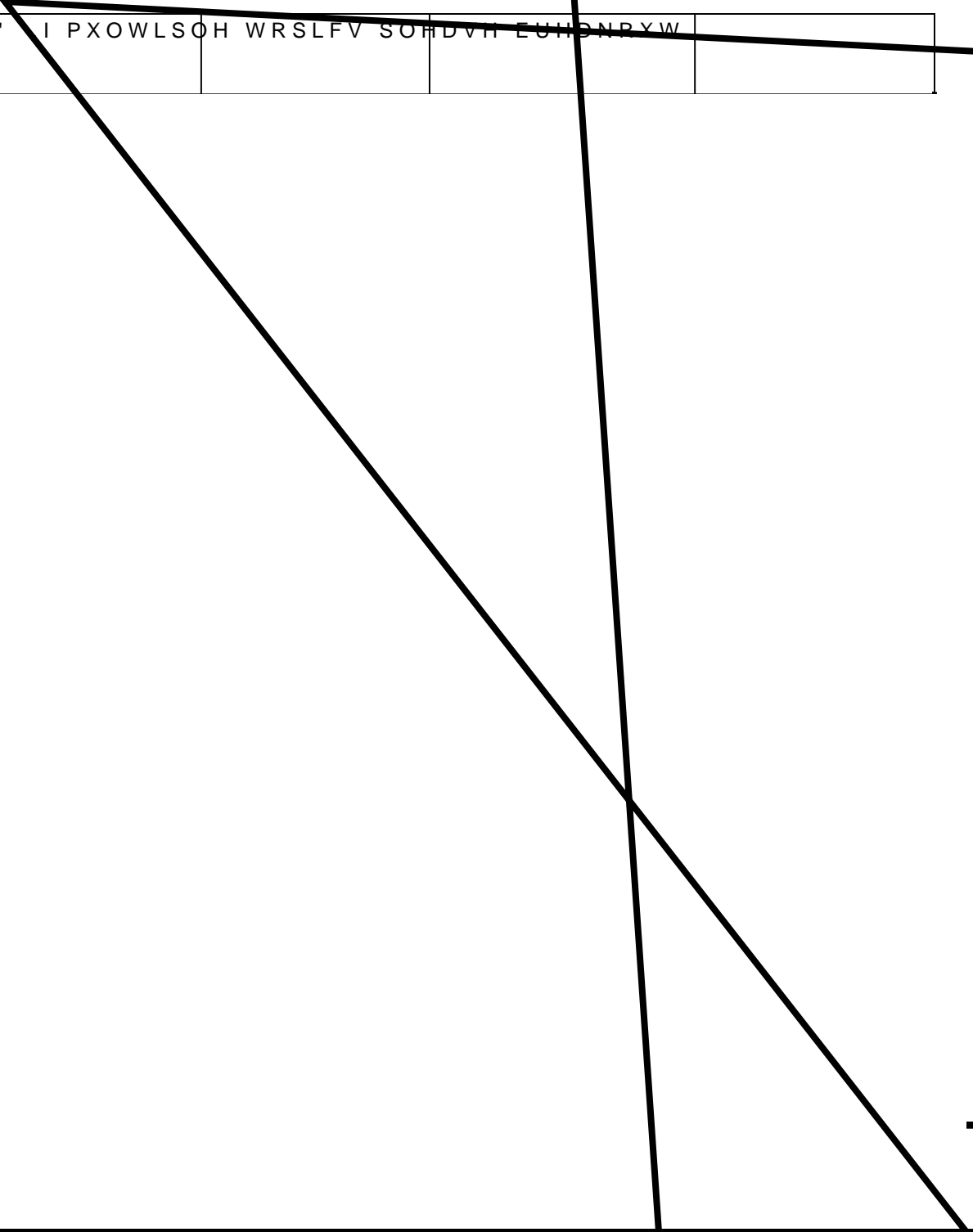
VFKRROV
FRQWLQXLW\

RU QHJDWLYH

ODVH À "p@`° À`

6XUYH\ 5HVSQRQH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRVDO" I PXOWLSOH WRSLFV SOHDVH EUIHNRXW

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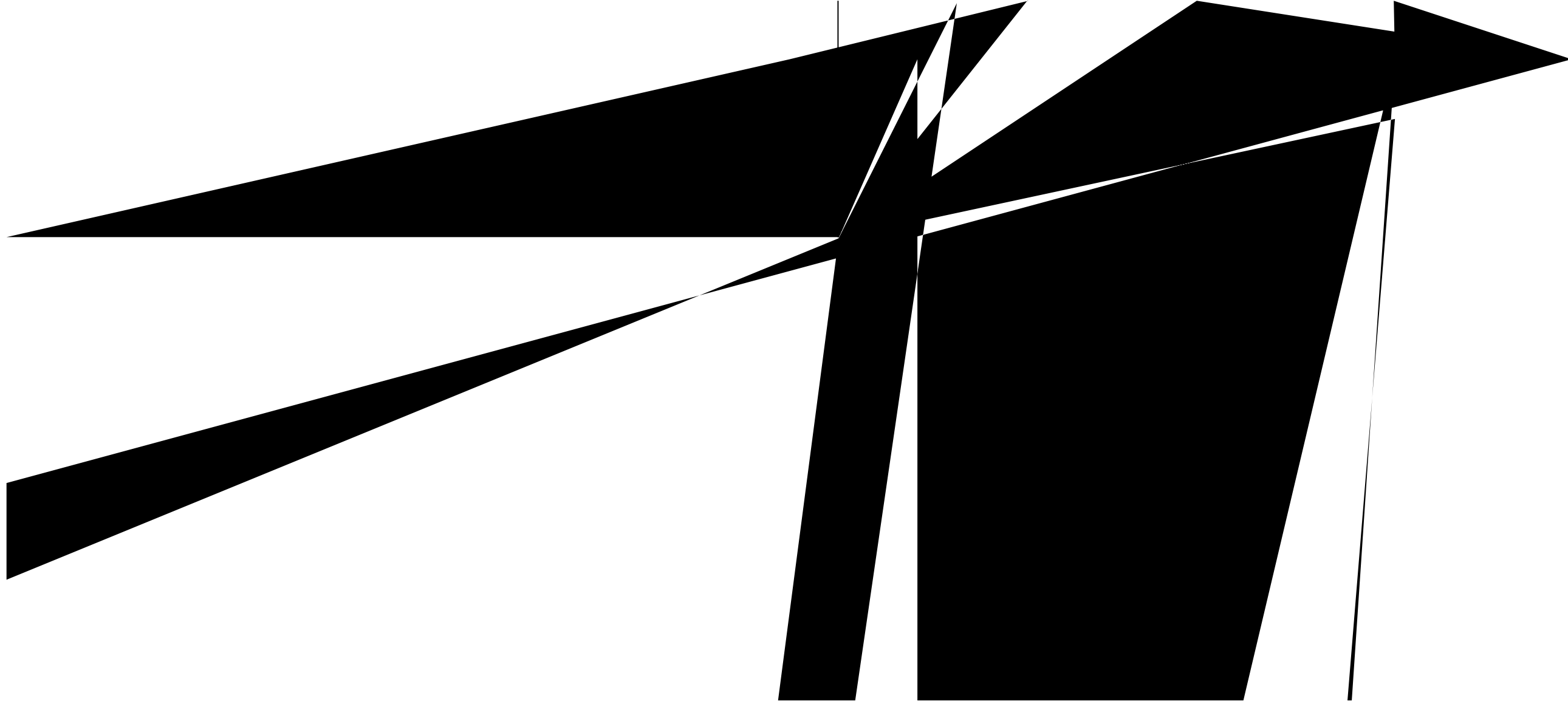
6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBS LFH SOH 5HVSQRVH	60WDFUHQDWRYW OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	KHPH 1BWO BRW
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<p>6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV</p>	<p>7KH SURSRVDO JRHV ZHOO EHRQG WU\LQJ WR EDODQFH HQUROOPHQW 3336 ZRXOG WU\ WR FODLP WKDW *OHQFRH VWXGHQWV DUH QRW LPSDF PDNHV LW GLILFXOW WR WUXVW 336 DQG GLVWUXVW DW WKH RXWVHW VWULYLQJ IRU</p>	<p>7ZR PDMRU DQG VSHFLILF FRQFHUQV</p>	<p>,W LV XQEHOLHYDEOH WKDW 336 ZRXOG WU\ WR LPSOHPHQW VVFK PDMRU FKDQJHV GXULQJ D JOREDO SDQGHPLF ZKHQ SDUHQWV WHDFKHUV VWXGHQWV DQG FRPPXQLW\ PHPEHUV DUH XQGHU LPPHQVH SUHVXUH WR MXVW JHW E\ PFK OHVV PDNH WLPH IRU D SRRUO\ SUHVHQWHG 2SHQ +RXVH WKDW SURYLGHG QR VSHFLILFV DQG QR UHDO LQIRUPDWLRQ DV WR WKH EDVLV IRU WKH SURSRVDO WKH UHVRXUFHV VSHQW RQ WKH FRQVXOWDQWV DQG DGPLQLVWUDWLRQ WLPH VKRXOG KDYH EHHQ IRFXVHG RQ KHOSLQJ WKRWH VW ZKR DUH EHLQJ OHIW EHLQJ GXH UHPRWH OHDUQLQJ \$QG JRRP PHHWLQJ DUH QRW WKH SODFH WR KDYH D UHDO GLDORJXH ZLWK *XLGLQJ &RDOLWLRQ 1R LQIRUPDWLRQ ZDV DFWXDOO\ JLYHQ DQG QR DQVZHUW WR TXHVWLRQV ZHUH SURYLGHG 7KLV VKRXOG DOO E GRQH ZKHQ &29,' LV RYHU ZKHQ WKHUH FDQ EH DQ DFWXDO EDFN DQG IRUWK EHWZHHQ WKH *XLGLQJ &RDOLWLRQ DQG SDUHQWV</p>	<p>7KH SURSRVDO JRHV ZHOO EHRQG WU\LQJ WR EDODQFH HQUROOPHQW 3336 ZRXOG WU\ WR FODLP WKDW *OHQFRH VWXGHQWV DUH QRW LPSDF PDNHV LW GLILFXOW WR WUXVW 336 DQG GLVWUXVW DW WKH RXWVHW VWULYLQJ IRU</p>
<p>\$OVR , KDYH QR LGHD ZK\ 1(3'; ZDV QRW LQYROYHG LQ WKLW SURFHVV JLYHQ ODGLVRQ V ORFDWLRQ ,I WKH GLVWULFW ZDQWV WR EDODQFH VFKRROV WKH\ VKRXOG EH SXOOLQJ IURP WKH VFKRROV JUHDWHU QHLJKERUKRRG FRPPXQLWLV DQG QRW SXOOLQJ VWXG IURP DFURVV WRZQ , VXVSHFW 1(3'; ZDV VSHFLILFDOO\ QRW LQYROYHG DV WKH\ KDYH GHIHDWHG VLPLODU SURSRVDOV LQ UHFHQW \HDUV DQG 336 GLGQ W ZDQW WR GHDO ZLWK WKHP</p>	<p>,I 336 WUXO\ ZDQWV WR UH EDODQFH VFKRROV DQG LQVLVWV RQ SXOOLQJ VWXGHQWV IURP QHLJKERUKRRGV EHRQG DQ\ JLYHQ VFKR LPPHGLDWH FRPPXQLW\ WKHQ LW QHHGV WR EH GRQH GLVWULFW ZLGH ZKHUH VWXGHQW DUH EXVHG IURP /LQFROQ *UDQW)UDQNO 7R SODFH WKH RQXV RI UH EDODQFLQJ RQ 6(VSHDNV WR WKH P\RSLF QDWXUH RI WKLW ZKROH DSSURDFK</p>	<p>7KH DERYH LVVXH DUH YHU\ EDVLF DQG VKRXOG KDYH EHHQ LPPHGLDWHO\ REYLXV WR WKH &RDOLWLRQ 3HUKDSV WKH\ ZHUH GLVFXVHG EXW FHUWDLQO\ QR UHVXOW RI WKRWH GLVFXVLRQV ZHUH VKDUHG DW WKH 2SHQ +RXVH ,I WKLW 2SHQ +RXVH ZHUH W VXFFHHG SUHVHQWHUV VKRXOG KDYH FRPH SUHSDUHG WR DGGUHVW WKHVH LVVXH &OHDUO\ WKH\ ZHUH QRW :KLFK UDLVHV D ZKR KRVW RI RWKHU FRQFHUQV</p>	<p>:H DUH DOVR FRQFHUQHG DERXW WKH FRDOLWLRQ JHWLQJ HQRXJK LQ \$QJDO JHRFQWKH YHU\ DFWLRQV GHVSRQWKDW WKLW SURSRVDO LV EHQHILW 7KH WLPHWDEOH RI WKH FRDOLWLRQ V ZRUN KDV EHHQ YHU\ DJJUHVVLYH DQG WKH ZRUN KDV EHHQ KDUG WR IROORZ EHF WKH YROXPH DQG VSHHG RI FKDQJHV LGHDV SURSRVDOV HYHQ DV D ZKLWH KLJKO\ SULYLOHJHG IDPLO\ 7KH SDQGHPLF PDNHV HYHU\WKLQJ KDUGHU ,V WKHUH HQRXJK WLPH WR JHW WKH IHHGEDFN QHHGHG WR NQRZ LI WKLW SURSRVDO VWULNHV WKH ULJKW ED</p>	<p>RQO\ VHQGLQJ ZULWWHQ PDWHULDQV LQ ODQJXDJHV RWKHU WKDQ (QJOLVK JHRFQWKH YHU\ DFWLRQV GHVSRQWKDW WKLW SURSRVDO LV PDMRU HTXLW\ SUREOHP IRU IDPLOLHV QRW VSHDNLQJ (QJOLVK DW KRPH KRZ FDQ IDPLOLHV SDUWLFLSDWH ZLWK VVFK OLWWOH QR , DP FRQFHUQHG WKDW QRW HQRXJK WLPH KDV EHHQ VSHQW VWXG\LQJ (QJOLVK JHRFQWKH YHU\ DFWLRQV GHVSRQWKDW WKLW SURSRVDO LV IDPLOLHV , DP FRQFHUQHG WKDW WKHUH LV WKH SRWHQWLDO IRU VHU\LRXV XQLQWHQG GHG QHJDWLYH FRQVHTXHGFHV IRU VRFLDO HT PXOWL FXOWXUDO FRPPXQLW\ EXLOGLQJ</p>
<p>\$OVR 336 DQG D`€</p>				

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV	70 HPH PXOWLSO	BRWBS LFH 30H	60WDFUQDMRYW	7 KHPH 1BWO	BRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV		5HVSQRVH	OLVWHG LQ FROXPQ %		
			30HDVH GHVFULEH		

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV	70 HPH PXOWLSO	BRWBSLFW SOH	60WDEUQDMRYHW	7 KHPH 1BW	BRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV		5HVSQRVH	OLVWHG LQ FROXPQ %		
			30HDVH GHV FULEH		



6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBSLFW ROH 5HVSQRVH	30WDEUOHMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO 6RW
7KH FKDQJHG IRFXV RQ +6 HQUROOPHQW EDODQFLQJ WKDW RQO\ PRYHV ERGLHV QRW FKDQJLQJ SURJUDPPPLQJ RU VXEWDQWLDO GLYHUVLW\ LPSDFWV 0DGLVRQ DQG)UDQNOLQ DUH YHU\ FRPSDUDEOH VFKRROV IRU SURJUDPPPLQJ DQG GLYHUVLW\ UDFH DQG 6(6 6RPH FDQ DUJXH WKDW 0DGLVRQ LV PRUH UREXVW KLJKHU WHVW VFRUH V JUDGXDWLRQ UDWHV VPDOOHU FODVV VLJHV 62 , GRQ W FOHDUO\ VHH KRZ WKH PRYH RI WKH *OHQFRH IHGHU RXW RI)+6 WR 0+6 IXUWKHUV WKH JRDO RI FUHDWLQJ HTXLW\ LQ SURJUDPPPLQJ \$QG WKLV PRGHO VKRZV WKDW LW GRHV QRW FKDQJH WKH HUDPPLQJ 000 PR A0A-40A-00 EP@ P@p@p 0QFR"C@W ASDUDEOH XdE@XDWQWLDO				

6XUYH\ 5HVSQRQVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBSLFW ROH 5HVSQRQVH	60WDFUOHDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO 0R
, DP FRQFHUQHG WKDW WKH SURSRVDOV VKLIW P\ FKLOGUHQ DQG WKH YHUVXV)UDQNOLQ ZLWKRXW DQ\ LQYROYHPHQW LQSW RU IHGDFN IURP RXU HOHP WR FKDQJH ZKLFK KLJK VFKRROV DQG PLGGOH VFKRROV GUDZ IURP DUH WKLQJV WKDW DSSODXG WKH VFKRRO GLVWULFWV PLVVLRQ DQG JRDOV WR DFKLHYH HTXLW\ DQG DV DQG QRW MXVW DIWHU GHFLVLRQV KDYH EHSWG0psX EHSWG07sWGU q—)ÖH DV q7 `0°€0À Ç0€050 #P€0H d@ÖBfK KLJIH G0pPWKHLQV G VFE	LU *OHQFRH FRX	QWHUSDUWV HQWDU\ VFKRRO FRPPXQLW\ WKXV IDU 3URSR SDUHQWV ZDQW WR NQRZ DERXW , HQFRXUDJ	WR D QHZ KLJK VFKRRO 0DGLVR FRPPXQLW\ WKXV IDU 3URSR	WR D QHZ KLJK VFKRRO 0DGLVR FRPPXQLW\ WKXV IDU 3URSR
DQGSX'H EFHPx DV €VSH\GKD HQXVV				

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBS LFH SOH 5HVSQRVH	60WDFUHQDWRYW OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	KHPH 1BWO BRW
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<p>6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV</p>	<p>70 HPH PXOWLSO</p>	<p>BRWBSLFW ROH 5HVSQRVH</p>	<p>QJWDFUQDMRYW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH</p>	<p>KHPH 1BWO FRW</p>
<p>ZLOO LW UHDOO\ DGGUHV HTXLW\ " ZKDW LV 336 GRLQJ WR HQVXUH HQ DWWHQG" VKRXOGQ W DOO RI WKH (DVW VLGH EH FRQVLGHUHG ZKHQ UHEDODQFLQJ UD WR WKH 1("</p>	<p>URXLOWH VVXGH QMV DOLLYH ZLHW</p>	<p>SRQ WKH ERXQG WKHU WKDQ VHQGLQJ VRPH 6(</p>	<p>SRQ WKH ERXQG WKHU WKDQ VHQGLQJ VRPH 6(</p>	<p>DULHV IRU WKH KLVK VFKRRO VV</p>
<p>\$W D PLQLPXP ZH ZRXOG DSSUHFLDWH \RXU DGGUHVVLQJ WKH FRQFHUQV VKXUHQRISRUDQJ RUJ SRVW VKX UHQ HQUROOPHQW SURJUDP EDODQFLQJ SURMHFW LPPHUVLRQ GOL</p>	<p>HTXLW\ SUHVH QFLQJ SURMHFW</p>	<p>HEAD6KLY 5H5 VFHQDULRV IRU</p>	<p>KRQWSV ZZZ FKLQHVH GXDO</p>	<p>ODQJXDJH</p>
<p>:H VVSHFW WKDW PDQ\ IDPLOLHV ZRXOG FKRRVH WR GURS WKHLU FKLOGUHQ IURP HQUROO WKHLU FKLOGUHQ LQ VFKRROV PDQ\ PLOHV IURP KRPH 3OHDVH FRQVLGHU WKH QHLJKERUKRRG VFKRROV</p>	<p>HTXLW\ SUHVH QFLQJ SURMHFW</p>	<p>HEAD6KLY 5H5 VFHQDULRV IRU</p>	<p>KRQWSV ZZZ FKLQHVH GXDO</p>	<p>ODQJXDJH</p>
<p>:H KDYH RQH NLQGHUJDUWHQH DQG D FKLOG WKDW ZLOO EH HQWHULQJ 336 LQ WKUHH SURFHVV RXW RI GHIHUHQFH WR WKRVH ZLWK PRUH H[SHULHQFH DQG RXW RI D GHVLUH VKDUH ZLWK 336 %XW ZH DUH VKRFNHG E\ WKH UHDFWLRQ RI WKRVH IDPLOLHV ZKR ZKR DUH WKH SHRSOH RI FRORU WKDW WKLW SURSRVDO LV SULPDULO\ DLPLQJ WR PD\ EH SDZQV LQ D SROLWLFDO JDPH RI ZKLFK ZH DUH XQDZDUH DQG RI ZKLFK ZH GR LQWURGXFWRQ WR 336 LV QRW UHSUHVHQWDWLYH RI RXU SODQQHG \HDU UHODWLRQV HTXLW\ JRDOV ZLWKRXW DQJHULQJ VR PDQ\ SHRSOH"</p>	<p>HTXLW\ SUHVH QFLQJ SURMHFW</p>	<p>HEAD6KLY 5H5 VFHQDULRV IRU</p>	<p>KRQWSV ZZZ FKLQHVH GXDO</p>	<p>ODQJXDJH</p>
<p>, DP YHU\ FRQFHUQHG WKDW P\ FKLOGUHQ ZLOO QRW KDYH D VFKRRO WR RXRWR JLYHQ KRXVH &UHDWLYH 6FLHQFH XQWLO 3KDVH ,, DQG PRUH VR VLQFH , DP GHSHQGHHQW RQ</p>	<p>HTXLW\ SUHVH QFLQJ SURMHFW</p>	<p>HEAD6KLY 5H5 VFHQDULRV IRU</p>	<p>KRQWSV ZZZ FKLQHVH GXDO</p>	<p>ODQJXDJH</p>
<p>%XW , DP DJKDVW DERXW WKH VXSSRVHG FRQVROLGDWLRQ RI ODQJXDJH SURJUDPV \$V UHDOO\ JLYHV WKH LPSUHVVLRQ WKDW ZHDOWKLU QHLJKERUKRRG VFKRROV ZDQW WR FRPPXQLWLHV ,W UHDOO\ VRXQGV OLNH D VWHS EDFNZDUGV IRU GLYHUVLW\ LQ VFKRROV</p>	<p>HTXLW\ SUHVH QFLQJ SURMHFW</p>	<p>HEAD6KLY 5H5 VFHQDULRV IRU</p>	<p>KRQWSV ZZZ FKLQHVH GXDO</p>	<p>ODQJXDJH</p>
<p>)IURP DQ HTXLW\ OHQV WKHUH KDV QRW EHHQ VXIILFLHQW RSSRUWXQLWLHV IRU %,32& SURFHVV RXWVLGH RI WKRVH ZKR ZHUH SKRQH VXUYH\HG DQG RU SDUW RI WKH FRDOLWLRQ KDYH EHHQ D FHQWUDO IRFXV QRW WKH QHHG RI %,32& IDPLOLHV HQUROOHG LQ QHLJKERUKRRG RXWVLGH RI DFDGHPLFV %,32& IDPLOLHV DQHFGRWDOO\ DUH OHVV OLNHO\ WKDQ WKHLU '/, HVSHFLDOO\ LI LW V QRW LQ WKHLU QDWLYH ODQJXDJH RU IRFXV VFKRRO VR LQ D ,GHDOO\ PRUH GDWD FDQ EH JDWKHUHG DERXW WKH SULRULWLHV DQG FRQFHUQV RI %,32& LQ FRQWUDVGRWLSODQW Q</p>	<p>HTXLW\ SUHVH QFLQJ SURMHFW</p>	<p>HEAD6KLY 5H5 VFHQDULRV IRU</p>	<p>KRQWSV ZZZ FKLQHVH GXDO</p>	<p>ODQJXDJH</p>
<p></p>	<p></p>	<p></p>	<p></p>	<p></p>
<p></p>	<p></p>	<p></p>	<p></p>	<p></p>

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBS LFH 30H 5HVSQRVH	60WDFUHQDWRYW OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	7 KHPH 1BWO BRW
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	7KHPH PXOWLSOH 5HVSQRVH	8RWRS LFH ROH OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	9HJRWLWYH ZLWKRXW FDXVLQJ RW %XW GRHV UHPR DUHD DQG KRZ DUH
:H KDYH PDQ\ TXHVWLRQV :LOO WKH SURSRVDO EH DEOH WR PHHW WKH FKDOOHQJHV LQHTXLWLHV LQMXVWLFHV IRU ORZ LQFRPH FRPPXQLWLHV)RU H[DPSOH SDUWLFLSDQWV VKRXOG KDYH WR WUDYHO WR WKH FRPPXQLW\ WKH\ ZLOO EH OHDUQLQJ IURP DQG HQJDJLQJ ZLWK %XW GRHV UHPR QHLJKERUKRRG RSWLRQ DW /HQW FDXVH WUDQVSRUWDWLRQ FKDOOHQJHV IRU ORZ LQFRPH UHVLGHQWV LQ WKDW DUHD DQG KRZ DUH FKDOOHQJHV PHDVXUH DJDLQVW WKH SRWHQWLDO EHQHILWV RI FRPELQLQJ '/', LQWR RQH VFKRRO"			
L P WURXEOHG E\ WKH FKDQJLQJ IRUPDW RI WKH ', VFKRRO PDQ\ PDQ\ TXHVWLRQV LQ WKH VKDUHG WKDW LW VHHPHG WKRVH ZHUH PDMRU HTXLW\ EDUULHUV QRW LPSURYHPHQWV IRU GXDO ODQJXDJH IDPLOLHV LQ WKRVH VFW GRQ W VHH KRZ GUDVWLFDOO\ FKDQJLQJ D 67(0 VFKRRO ZLWK H[WUD ORWWHU\ VSRWV IRU HWKQLFLW\ DQG LQFRPH ORFDWHG LQ D O LQFRPH GLYHUVH DUHD LPSURYHV HTXLW\			
\$OWKRXXJK LW VHHPV OLNH DOO WKLW SURSRVHG FKDQJH KDV WKH JRDO HTXLW\ ZLWKRXW YLQYH FORVH LQ 6(DQG 1(3RUWODQG WKH FKDQJHV FDQQRW KDYH D PHDQLQJ IXO HIIHFW RQ EDODQFLQJ HTXLW\ LQVWHDG MXVW FRQLQ WKH 336 WUDGLWLRQ RI FRQVWDQWO\ PDNLQJ GUDVWLF FKDQJH FORVLQJ VFKRROVLQ SRRUHU FRPPXQLWLHV DQG OHDYLQJ ZHDOWK VFKRROV DORQH			
,W GRHVQ W VHHP WKDW HTXLWDEOH ,W FXUUHQWO\ VHHPV PRUH IRFX(TXLW\		1HJDWLYH 5HVSQRVH	
/DFN RI HTXLW\ LQ WKH GHFLVLRQ SURFHVV PDQ\ VWDWLQJ WKH\ DUH EH LQYROYHG ODFN RI LQSXW IURP WKRVH PRVW HIIHFWHG GXH WR GLIIHUHQFHV LQ WHFKQRORJ\ DFFHVV QRW OLVWHQLQJ WR WKH RI FR ORFDWHG SURJUDPV DQG WKHLU QHHGV DQG PDNLQJ WKHP VHJUHJDWHG IURP RWKHUV			
\$OVR VHQGLQJ WKH 0,3 WR DQ DOUHDG\ &KLQHVH LQKDELWHG DUHD ZLWKRXW DWWHPSWH ZLOO QRW VROYH WKH FRUH SUREOHP			
1DWLYH VSHDNHUV RI &KLQHVH KDYH EHHQ OHIW RXW RI WKH FRQYHUVLWLRQ DERXW ZLWKRXW UYV PRYHG WR +DUULVRQ , WKLQN WKH\ VKRXOG EH OHDGLQJ WKH FRQYHUVLWLRQ)URP RXU SRLQW RI YLHZ LW ZLOO GLPLQLVK WKH RXU VFKRRO 7KH QHLJKERUKRRG SURJUDP LV ZRHIXOO\ XQUHSUHVHQWDWLYH RI D GLYHUVLW\ RI FXOWXUH HVSHFLDOO\ LQ WKLW \H NLQGHU FODVV :H ZRXOG ORYH WR H[SDQG WKH GLYHUVLW\ RI RXU VFKRRO QRW ZKLW H LW RXW			
7KH ', SURJUDP VWDWHV FORVLQJ WKH RSSRUWXQLW\ JDS IRU XQGHUVLWLYH VWXGHQWV VFKRROV WKDW DUH DOUHDG\ XQGHUVHUYHG , IHHO WKLW GHHDWV WKH JRDOV DQG REMHFWLYHV			
5DFLDO HTXLW\ DQG VRFLDO MXVWLFH" :KHQ \RX VKLIW ', SURJUDPV LQWR D QHLJKERUKRRG WKDW LV DOUHDG\ XQGHUVHUYHG , IH \RX DUHQ W WDNLQJ WKHVH SULQFLSOHV LQWR DFFRXQW			
:KHQ WKHVH SURJUDPV DUH OHIW LQ WKHLU FXUUHQW VFKRROV LW IRVWHUV GLYHUVLW\ DQG VWUHQJWKHV 336 JRDOV DQG REMHFWLYHV			
7:2 RXW RXW RI VHYHQ 3SURSRVDO 7KHPH SRLQWV FDOO RXW &UHDWLYH 6FLHQFH 6FKRRO ZKLFK LV P\ IDPLO\ VFKRRO 7KLV LV ELJ HPSKDVLV RQ RQH VFKRRO RI WKH PDQ\ WKDW DUH DIIHFWHG E\ WKLW UHGLVWULEXWLRQ 7KH ILUVW SRLQW VWDWHV VFKRROV HQWLUHO\ WR D)RFXV 2SWLRQ FUHDWH LQHTXLW\ RI H[SHULHQFH 7KDW LV DQ XQIDLW DQG XQWUXH EXUGHQ WR SODFH VROHO\ RQ WKH PDVVLYH LQHTXLWLHV DPRQJ HYHQ QHLJKERUKRRG VFKRROV :H SURYLGH DQ RSWLRQ WKDW LV KLJKO\ LQ GHPDQG LPSOHPHQW			

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	7KHPH PXOWLSOH	BRWBSLFW ROH 5HVSQRVH	OLVWHG LQ FROXPQ % 3OHDVH GHVFULH	KHPH 1BWO FRW
7KLV SURJUDP GRHV QRW FRVW DQ\ H[WUD RYHU D QHLJKERUKRRG VFKRRO DQG UDLVH PRQH\ EXW ZH GR QRW KDYH D IRXQGDWLRQ QRU GR ZH UHFHLYH IRXQGDWLRQ IXQGV :LWK VFKRROV XQGHU SDUHGW IXQGUDLVLQJ EULGJLQJ WKDW JDS WKLW PRQH\ PDNHV D GLIIHUHQFH +RZHYHU JLYHQ WKH DPRXQW ZH UDLVH ZH DUH)\$5 OHVV LQHTXLWDEOH WKDQ QHLJKERUKRRG IRFXV DQG ', VFKRROV WKDW UDLVH ODUJH DPRXQWV RI PRQH\ WKURXJK 37\$V DQG IRXQGDWLRQV ORUH GHWDLOV	FRQW\H DUH D PHQGVHUYHQFRP SROVFKRRO ZH KDYH D 37\$	PHQGVHUYHQFRP SROVFKRRO ZH KDYH D 37\$	LWK VFKRROV XQGHU DPRXQW ZH UDLVH ZH DUH)\$5	37\$V DQG
,W LV VWLOO XQFOHDU WR PH KRZ WKLW SURSRVDO SRVLWLYHO\ LPSDFW HTXLW\ IRU 3B6J	HTXLW\ IRU 3B6J	HTXLW\ IRU 3B6J	HTXLW\ IRU 3B6J	HTXLW\ IRU 3B6J
, DP FRQFHUQHG ZLWK UHPRYLQJ WKH 0,3 SURJUDP IURP ZRRGVWRFN EHFDXVH FRPPXQLW\ \$OO VWXGHQWV EHQHILW IURP WKH ODQJXDJH DQG FXOWXUDO DFWLYLWLHV WKDW WKH 0,3 SURJUDP SURYLGHV VWXGHQWV LQ WKH QHLJKERUKRRG SURJUDP 7KLV SURJUDP LQWHJUDWHV GLIIHUHQW SRSXODWLRQV LQWR D FDULQJ DQG SURYLGHV GLYHUVH SHUVSHFWLYHV WKDW EHQHILW DOO VWXGHQWV VWDII DQG IDPLOLHV	HTXLW\ LW DGGV UDO DFWLYLWLHV WKDW WKH 0,3 SURJUDP SURYLGHV LQWHJUDWHV GLIIHUHQW SRSXODWLRQV LQWR D FDULQJ	HTXLW\ LW DGGV UDO DFWLYLWLHV WKDW WKH 0,3 SURJUDP SURYLGHV LQWHJUDWHV GLIIHUHQW SRSXODWLRQV LQWR D FDULQJ	HTXLW\ LW DGGV UDO DFWLYLWLHV WKDW WKH 0,3 SURJUDP SURYLGHV LQWHJUDWHV GLIIHUHQW SRSXODWLRQV LQWR D FDULQJ	HTXLW\ LW DGGV UDO DFWLYLWLHV WKDW WKH 0,3 SURJUDP SURYLGHV LQWHJUDWHV GLIIHUHQW SRSXODWLRQV LQWR D FDULQJ
, DP FRQFHUQHG WKDW WKH FRDOLWLRQ FRXOGQ W DUWLFXODWH KRZ SURSWHG RI FRORU ZLWK D IRFXV RQ %ODFN DQG 1DWLYH \$PHULFDQ VWXGHQWV	SURSWHG FKDQJH DPRXQWV	SURSWHG FKDQJH DPRXQWV	SURSWHG FKDQJH DPRXQWV	SURSWHG FKDQJH DPRXQWV
, DP FRQFHUQHG HTXLW\ LV EHLQJ XVHG ZLWKRXW EHLQJ GHILQH 6 HTXLW\ DQG WKHQ PD\EH \RX OO JHW PRUH EX\ LQ	(TXLW\	1HJDWLYH 5HVSQRVH		
, P FRQFHUQHG WKDW NLGV RI FRORU LQ QHLJKERUKRRG SURJUDPV OLNHTX UDFH DQG FXOWXUH LQ DOUHDG\ YHU\ ZKLWH HQYLURQPHQW 7KH\ UH DOUHDG\ YHU\ LV VFKRRO QHHGV WR EH ILOOHG LW VHPV XQQHFHVVDU\ WR XSHQG ZRUNLQJ SURJUDPV OLNH WKH ORQJWDQGLQJ LPPHUVLRQ SURJUDPV :RRGVWRFN +RVIRUG &OHYHODQG)RFXV RQ WKH PLGGOH VFKRRO LPSDFW OHDYH WKLQJWKDW DUH ZRUNLQJ DORQH ,W V D GRPLC HIIHFW RI GHFLVLRQV PDGH XQGHU GHDGOLQH SUHVXUH	OLNHTX UDFH DQG FXOWXUH LQ DOUHDG\ YHU\ ZKLWH HQYLURQPHQW 7KH\ UH DOUHDG\ YHU\ LV VFKRRO QHHGV WR EH ILOOHG LW VHPV XQQHFHVVDU\ WR XSHQG ZRUNLQJ SURJUDPV OLNH WKH ORQJWDQGLQJ LPPHUVLRQ SURJUDPV :RRGVWRFN +RVIRUG &OHYHODQG)RFXV RQ WKH PLGGOH VFKRRO LPSDFW OHDYH WKLQJWKDW DUH ZRUNLQJ DORQH ,W V D GRPLC HIIHFW RI GHFLVLRQV PDGH XQGHU GHDGOLQH SUHVXUH	OLNHTX UDFH DQG FXOWXUH LQ DOUHDG\ YHU\ ZKLWH HQYLURQPHQW 7KH\ UH DOUHDG\ YHU\ LV VFKRRO QHHGV WR EH ILOOHG LW VHPV XQQHFHVVDU\ WR XSHQG ZRUNLQJ SURJUDPV OLNH WKH ORQJWDQGLQJ LPPHUVLRQ SURJUDPV :RRGVWRFN +RVIRUG &OHYHODQG)RFXV RQ WKH PLGGOH VFKRRO LPSDFW OHDYH WKLQJWKDW DUH ZRUNLQJ DORQH ,W V D GRPLC HIIHFW RI GHFLVLRQV PDGH XQGHU GHDGOLQH SUHVXUH	OLNHTX UDFH DQG FXOWXUH LQ DOUHDG\ YHU\ ZKLWH HQYLURQPHQW 7KH\ UH DOUHDG\ YHU\ LV VFKRRO QHHGV WR EH ILOOHG LW VHPV XQQHFHVVDU\ WR XSHQG ZRUNLQJ SURJUDPV OLNH WKH ORQJWDQGLQJ LPPHUVLRQ SURJUDPV :RRGVWRFN +RVIRUG &OHYHODQG)RFXV RQ WKH PLGGOH VFKRRO LPSDFW OHDYH WKLQJWKDW DUH ZRUNLQJ DORQH ,W V D GRPLC HIIHFW RI GHFLVLRQV PDGH XQGHU GHDGOLQH SUHVXUH	OLNHTX UDFH DQG FXOWXUH LQ DOUHDG\ YHU\ ZKLWH HQYLURQPHQW 7KH\ UH DOUHDG\ YHU\ LV VFKRRO QHHGV WR EH ILOOHG LW VHPV XQQHFHVVDU\ WR XSHQG ZRUNLQJ SURJUDPV OLNH WKH ORQJWDQGLQJ LPPHUVLRQ SURJUDPV :RRGVWRFN +RVIRUG &OHYHODQG)RFXV RQ WKH PLGGOH VFKRRO LPSDFW OHDYH WKLQJWKDW DUH ZRUNLQJ DORQH ,W V D GRPLC HIIHFW RI GHFLVLRQV PDGH XQGHU GHDGOLQH SUHVXUH
'RHVQW DSSHU WKDW VHJUHJDWLQJ WKH ', SURJUDPV LQ DFKLHYLQJ (TXLW\	(TXLW\	1HJDWLYH 5HVSQRVH		
0\ FRQFHUQ LV WKDW 336 ZLOO JLYH WKH EHVW GHDOV WR VFKRROV ZKRXV VKRXOG EH KDSSHQLQJ ,I WKH JRDO LV HTXLW\ KLVWRULFDQ\ XQGHU VKRXOG QRW FRQLQXH WR EH PDUJLQDOLJHG VLPDQ\ EHFDXVH WKH\ GRQ W KDYH SDUHQWV FRPLQJ WR PHHWLQJ DQG DGYRFDWLQJ WKHP 'R QRW ZDLW IRU SDUHQWV RI FRORU WR ILOO RXW D VXUYH\ RU JLYH FRPPHQWV DERXW ZKDW WKH\ ZDQW -XVW JLYH WKHP Z EHVW)RU H[DPSOH ZH DOO NQRZ WKDW LW V LPSRUWDQW IRU NLGV WR EH DEOH WR DWWHQG D QHLJKERUKRRG VFKRRO FORVH WR /HQW +DUULVRQ 3DUN ODU\YLOOH DQG RWKHU ORZ 6(6 VFKRROV VKRXOG VWD\ LQWDFW EHFDXVH WKRVH NLGV QHHG QHLJKERUKRRG VFKRROV PRVW \$WNLQVRQ DQG *OHQFRH IRU H[DPSOH DUH KLJK 6(6 VFKRROV DQG ,ZRXOG DUJXH WKDW WKHLU QHHGV VKRXOG FRPH VHFRQG GHVSLWH WKH FRPPHQWV \RX PD\ EH JHWLQJ IURP WKHLU SDUHQWV 3OHDVH SULRULWLJH WKH ZHOOEHLQJ RI SRRU QRQ ZKLWH NLGV	(TXLW\	1HJDWLYH 5HVSQRVH		
,W ZLOO PDNH RXU VFKRRO OHVV GLYHUVH	(TXLW\	1HJDWLYH 5HVSQRVH		
, GR QRW EHOLHYH WKH SURSRVDO DFKLHYHV WKH JRDOV RI UDFLDO HTXLW WKH SURSRVDO ZHUH QRW DGHTXDWHO\ FRQVXOWHG LQ GHYHORSLQJ WKH SURSRVDO , ZRXOG QRW LQ SDUWLFXODU WKDW 6KX 5 RSSRVHV WKH SURSRVDO DQG VLPLODUO\ EHOLHYHV WKDW WKH SURSRVDO GRHV QRW DFKLHYH JRDOV RI UDFLDO HTXLW\ DQG VRFLD	(TXLW\	1HJDWLYH 5HVSQRVH		
0\ FRQFHUQV DUH WKDW , DP QRW VXUH WKDW WKH VFHQDULR \RX SXW SHRSOH LQ 6(WKDW LV SURSRVLQJ WR VHUYH \$V D ZKLWH SULYLOHJHG PRWKHU RI D IRUWXQDWH WR EH DEOH WR HQUROO KLP LQ D 6SDQLVK ,PPHUVLRQ SURJUDP ZKHUH KH FDQ OHDUQ KLV QDWLYH WRQJXH DV ZHOO D VXUURXQGHG E\ NLGV ZKR ORRN OLNH KLP DQG KDYH /DWLQJ DGXOW UROH PRGHV DV ZHOO	(TXLW\	1HJDWLYH 5HVSQRVH		

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRVDO" ,I PXOWLSOH WRSLFV SOH	DVH EUHDNRXW	
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	7KH SURFHVV KDV QRW EHHQ WUDQVSDUHQW RU LQYROYHG PFK RI WK FRPPXQLW\ , GLG QRW KH DU DERXW WKH SURFHVV XQWLO UHFHQWO\ &DQWRQHVV XQWLO UHFHQWO\ , GLG QRW VHH DQ\ RI WKH PHHWLQJV	7KH SURFHVV GRHV QRW VHH HTXLWDEOH 7KH &KLQHVH RWKHU FRPP VHJUHJDWHG 7KH ZKLW DQG PRUH DIIOXHQW FRPPXQLWLHV DUH EHLQ ZKLWH VFKRROV)RU H[DPSOH ZK\ QRW KDYH SHRSOH LQ 6XQQ\VLGH ZKR DUH SUHGR ODGLVRQ UDWKHU WKDQ GLVSODFH VWXGHQWV KRZ DUH IXUWKHU VRXWK WR GULYH IXUWKHU WR ODGLVRQ" ,W ZLOO EH D KDUGVKLS WR WUDYHO +RVIRUG DQG &OHYHODQG UHGXFH WKH GLYHUVLW\ WKDW WKH GLVWUL	7KH SURFHVV GRHV QRW VHH HTXLWDEOH 7KH &KLQHVH RWKHU FRPP VHJUHJDWHG 7KH ZKLW DQG PRUH DIIOXHQW FRPPXQLWLHV DUH EHLQ ZKLWH VFKRROV)RU H[DPSOH ZK\ QRW KDYH SHRSOH LQ 6XQQ\VLGH ZKR DUH SUHGR ODGLVRQ UDWKHU WKDQ GLVSODFH VWXGHQWV KRZ DUH IXUWKHU VRXWK WR GULYH IXUWKHU WR ODGLVRQ" ,W ZLOO EH D KDUGVKLS WR WUDYHO +RVIRUG DQG &OHYHODQG UHGXFH WKH GLYHUVLW\ WKDW WKH GLVWUL	7KH SURFHVV GRHV QRW VHH HTXLWDEOH 7KH &KLQHVH RWKHU FRPP VHJUHJDWHG 7KH ZKLW DQG PRUH DIIOXHQW FRPPXQLWLHV DUH EHLQ ZKLWH VFKRROV)RU H[DPSOH ZK\ QRW KDYH SHRSOH LQ 6XQQ\VLGH ZKR DUH SUHGR ODGLVRQ UDWKHU WKDQ GLVSODFH VWXGHQWV KRZ DUH IXUWKHU VRXWK WR GULYH IXUWKHU WR ODGLVRQ" ,W ZLOO EH D KDUGVKLS WR WUDYHO +RVIRUG DQG &OHYHODQG UHGXFH WKH GLYHUVLW\ WKDW WKH GLVWUL	7KH SURFHVV GRHV QRW VHH HTXLWDEOH 7KH &KLQHVH RWKHU FRPP VHJUHJDWHG 7KH ZKLW DQG PRUH DIIOXHQW FRPPXQLWLHV DUH EHLQ ZKLWH VFKRROV)RU H[DPSOH ZK\ QRW KDYH SHRSOH LQ 6XQQ\VLGH ZKR DUH SUHGR ODGLVRQ UDWKHU WKDQ GLVSODFH VWXGHQWV KRZ DUH IXUWKHU VRXWK WR GULYH IXUWKHU WR ODGLVRQ" ,W ZLOO EH D KDUGVKLS WR WUDYHO +RVIRUG DQG &OHYHODQG UHGXFH WKH GLYHUVLW\ WKDW WKH GLVWUL
&RPPXQLWLHV RI FRORU ZLOO EH VHQW WR VFKRRO RQ RXWHU HGJHV &RPPXQLWLHV RI FRORU LQ FXUUHQW VFKRROV YRFDOO\ GLVDSSURYH RI WKHVH SURSRVDOV	7KH WKHPH RI SHRSOH XVLQJ GLIIHUHQW GHILQLWLRQV RI GHPRJUDSK WKLV SURFHVV KDV VXSSRVHGO\ EHHQ FRQGXFWHG WKURXJK :KHQ D SODQ FRORU QR OHQV RI UDFLDO HTXLW\ DQG VRFLDO MXVWLWH ZRXOG XVH	<RX DUH HVVHQWLDOO\ HOLPLQDWLQJ RXU VFKRRO DQG GHFUHDVLQJ GL 3RWHQWLDO ODFN RI GLYHUVLW\ RI VWXGHQWV	(DFK RI WKH 6(*& PHHWLQJV RSHQH ZLWK D UHPLQGHU RI GHFHQWHUL WKURXJK WKLQJV DQG \HW WKH EHDNRXW VHVLRQV FRQVLVWHQWO\ UHSRUWHG HYHU\WKLQJ DQG HYHU\WKLQJ LV PRYLQJ IRUZDUG DW WKH VSHHG LW LV IRU UHJLRQ FRPPXQLW\ FRPLWWHH PHPEHUV KDYH H[SUHVVHG WKDW LQVXIIFLHQW SURSRVDOV SUHVHQWHG WR WKHP DQG WKDW YRWLQJ ZDV UXVKHG 7KH 6(*& FDQ RQO\ EH GHVFULEHG DV D FDOFXODWLQJ PDOLFLRXV ZD\	&RQYHUWLQJ +DUULVRQ 3DUN EDFN LQWR FRPSUHKHQVLYH PLGGOH VFKRROV VDFH IRU DOO WKH VWXGHQWV IURP FXUUHQW 6(. V 0\ FRQFHUQ LV VLP DQG VXSSRUW IRU WKH FRQYHUVLRQ RI +DUULVRQ 3DUN VR WKDW WKH TXDOLW VWXGHQWV DUH RQ SDU ZLWK WKH RWKHU PLGGOH VFKRROV , DOVR WKLQN SURSRVDO FRXOG EH VXFFHVVIXO LI LQIRUPDWLRQ ZDV SURYLGHG RQ KRZ :K\ WLH XS ',)RFXV RSWLRQV LQ WKLW" /HW V EDODQFH PLGGOH VFKRROV , ZRXOG OLNH WKH N FODVVHV WR VWD\ WRJHWKHU LQ RQH EXLOGLQJ . 5HPRYLQW UPÀ`U @p€0@0 eÅ . WR .	1HJDWLYH 5HVSQRVH 'LYHUVLW\ 1HJDWLYH 5HVSQRVH 1HJDWLYH 5HVSQRVH 1HJDWLYH 5HVSQRVH

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	DQHPH PXOWLSO	BRWBSLFH ROH 5HVSQRVH	DQWHEUQDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO FRW
'LVVROYLQJ . V GHVWUR\ DQ RSSRUWXQLW\ IRU PLGGOH VFKRRO VWX VRPH NLGV UHDOO\ QHHG D VPDOOHU PLGGOH VFKRRO H[SHULHQFH WR	GHQWV.WR PHQW EH VXFFHVVIXO	RUDWKHYSHSH SRO	RQWKHLU RZQ	FRPPXQLW\ DG
(YHU\ FRPPXQLW\ WKDW , KDYH VSRNHQ ZLWK +DUULVRQ SDUN DUOHWD EHFDXVH \RX EXLOW D PLGGOH VFKRRO ZKHQ D N ZRXOG KDYH VROYH :H DUH EHLQJ SXQLVKHG EHFDXVH RI 336 PLVWDNHV	DQ.G.&66 ZDQ HG WKH RYHUFURZGLQJ LVVXHV	WHJWRWLVHSDHVS RQWH 7DNLQJ	ZLWK RXU WD[WKLW DZD\ GROODUV LV XC
, DP DOVR FRQFHUQH E\ WKH PRYH IURP . WR . VFKRROV , ORYH WKH SUHVHQFH WKDW WKH PLG OHYHO VWXGHQWV SURYLGH				

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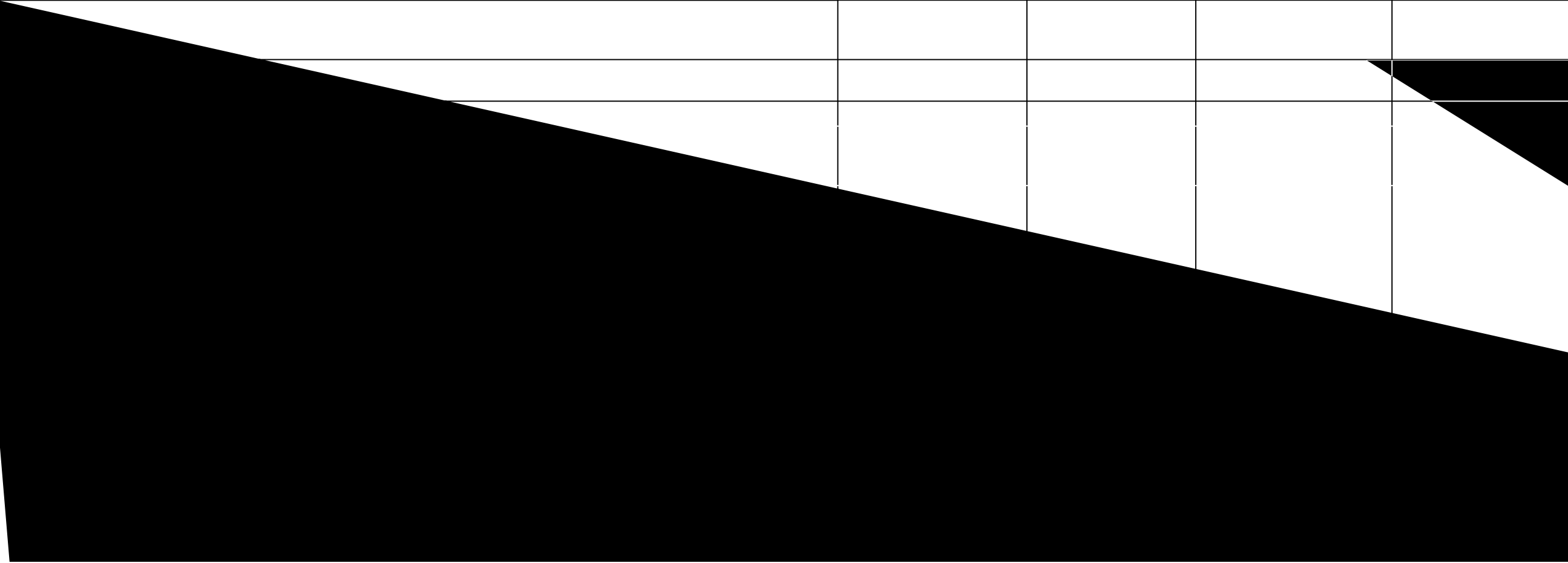
6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBSLFW 30H	DOUHQHODMRXW	KHPH 1BWO
, DP 2. ZLWK P\ GDXJKWHU DWWHQGLQJ .HOORJJ LQVWHDG RI 0W 7DER KLJK VFKRRO EH 0DGLVRQ)UDQNOLQ LV ZLWKLQ ZDONLQJ GLVWDQFH FODVVHV DUH JRLQJ WR EH KHOG LQ SHUVRQ	3URSRVDO	GRJRWLJH 5HH	ZRQVHWKH SODQ	WR KDYH WKH HLJKERUKRRG L
:H GR QRW VXSSRUW WKH -DSDQHVH SURJUDP PRYLQJ WR 0DGLVRQ UD FRQVLGHULQJ PDNLQJ D GHFLVLRQ OLNH WKLW GXULQJ WKLW H[WUHPHO\ VWUHQXRXV W WZR NLGV IURP WKH SXEOLF VFKRRO V\WHP DIWHU 5LFKPRQG 7DERU DQG VHQG WKHP	3URSRVDO *UDQ	QWJD, WLYH 5HVS	SRQVH\ VKRFNL	QJ WKDW 336 LY SUREDEO\ UH
, GR QRW WKLQN WKH -DSDQHVH ODQJXDJH SURJUDP VKRXOG IHHG LQW RXW RI WKH SURJUDP DQG VHQG WKHP RXWVLGH RI 336 LI WKH\ ZHUH WR EH VHQW WR	3URSRVDO DW	DHJSLQW 5HVS	SRQVHWXUH , Z	RXOG SXOO P\ M
7KH -DSDQHVH ,PPHUVLRQ 3URJUDP PRYLQJ WR 0DGLVRQ +LJK 6FKRRO	3URSRVDO	1HJDWLYH 5HVS	SRQVH	
,W GLVUXSWV WKH -DSDQHVH SURJUDP IRU QR UHVRQ	3URSRVDO	1HJDWLYH 5HVS	SRQVH	
7KH SRVVLEOH UHORFDWLRQ RI WKH MPS SURJUDP IURP JUDQW WR PDG	3URSRVDO	1HJDWLYH 5HVS	SRQVH	
,W WDNHV WKH FDUH DQG WKH KLVWRU\ RXW RI WKH SURJUDP ,W ZDV WKRXJK WKH -', SURJUDPV ZRXOG QRW EH WRXFKHG VR SDUHQWV ZHUH QRW SD\LQJ D XQGHU WKHP %HOLHYH PH LI WKLW RSWLRQ ZDV RQ WKH WDEOH ILUVW RI WKLW FRPPLWVHH	3URSRVDO DFWL	FHDWLYH 5HVS	SRQVH\ SURSRVDO	V PDGH LW VH WKH UXJ RXW PHUW SDUWFL
, GRQ W WKLQN WKH KLJK VFKRRO RYHUFURZGLQJ FDQ EH DGGUHVVHG ZHVWVLGH , GRQ W WKLQN WKLW VKRXOG EH DGGUHVVHG XQWLO WKH FRQVWUXFWLRQ RI DOO RI 0DUVKDOO +6 VKRXOG EH XSGDWHG DQG UHRSHQH , P FRQFHUQHG WKDW PRYLQJ WKH IRFXV ODQJXDJH SURJUDPV DURXQG ZLOO FDXVH SURJUDP DQG WKH NLGV	3URSRVDO DQW	1MJDWLYH 5HVS	SRQVH EH DGG	JHVVHG HDVWV FRPSOHWH GHWULPHQWDO
, ZDQW P\ VRQ WR DWWHQG *UDQW	3URSRVDO	1HJDWLYH 5HVS	SRQVH	
:KHQ 0W 7DERU XSJUDGHV ZLOO WDNH SODFH	3URSRVDO	1HJDWLYH 5HVS	SRQVH	
-03 SDUHQWV DUH YHU\ VWURQJ DGYRFDWHV IRU WKH -03 SURJUDP VWDWHPHQW DGYRFDWHV '2 127 UHSUHVHQW DOO RI WKH SDUHQWV DQG IDPLOLHV LQ WKH -03 2\D LVVXVHG D VWDWHPHQW LQ VXSSRUW RI WKH SURJUDP VWDWHPHQW *UDQW ZLWKRXW LQ	3URSRVDO DQW	1HJDWLYH 5HVS	SRQVH HG WKDW WKH -03 KDV	
, ZRXOG OLNH WKH -DSDQHVH ,PPHUVLRQ SURJUDP WR VWDWHPHQW *UDQW	3URSRVDO	1HJDWLYH 5HVS	SRQVH	
8SURRWLQJ NLGV IURP VFKRROV OLNH &UHDWLYH 6FLHQFH ZKLOH LQ S	3URSRVDO DGHV	1HJDWLYH 5HVS	SRQVH	
:KHUH WR VWDWHPHQW)LUVW , KDYH QR FRQILGHQFH LQ 336 WR PDQDJH VFKRROV VXFK D VKRUW WLPH IUDPH , P VRUU\ EXW LW V MXVW QRW EHOLHYDEOH WKDW \RX KDYH WKH FRPSHWQFH WR GRWKLW /RRNLQJ WKH WHUULEOH WUDQVLWLRQ WR . VFKRROV 336 KDV QHYHU SURYHQ LWVHOI FDSDEOH RIPDQDJLQJ WKLW OHYHO RI FKDQJH WKLW I \$GGLWLRQDO\ WKH VWDWHPHQW UHVRQV IRU WKH . WUDQVLWLRQ WXUQHGXW WR EH ODUJHO\ ERJXV \$V D UHVXOW WKH FRPPXQL ZRQGHU ZKDW DUH WKH UHDO UHVRQV DQG FDXVHV IRU WKLW QHZ XSKHDYDO" ,Q VKRUW \RX KDYH QR FUGLELOLW\ LQ WKH FRPP ZKHQ LW FRPHV WR WKLW W\SH RI FKDQJH	3URSRVDO JH W	1HJDWLYH 5HVS	SRQVH WR PDQ\ FRPPXQLWLV LQ FRPSHWQFH WR GRWKLW /RRNLQJ FKDQJH WKLW I WKH FRPPXQL LQ WKH FRPP	
:LWK WZR RI P\ NLGV DOUHDG\ LQ D ', SURJUDP WKDW PD\ EH PRYLQJ DEOH WR DWWHQG LQ WKH VDPH ORFDWLRQ	3URSRVDO QHG	1HJDWLYH 5HVS	SRQVH P\ WKLUG	FKLOG LV

6 X U Y H \ 5 H W 6 T M , ~ W O H € § 0 - 0 H p i , ~ W O H U W O y , • \) , , € 0 s € s € 0 € E Ä , ~ H p p · 0 È W O T M ... Ä , ~ T M , ~ c H ð) 0 , € l s 0 ` H ð p É % " ð H) % • É F ~ W O T M O € € s € 0 E Ä ... € € N Ä , ~ H p				
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSO	BRWBSLFW 30H	QJWDFUOHDMRYHW	KHPH 1BWO
, KDYH WZR PDLQ FRQFHUQV DERXW WKH SURSRVDOV WKDW KDYH NLGV IDUWKHU DQG FRPSOHWHO\ FKDQJHV WKH PHDQV RI WUDQVSRUWDWLRQ D PLQXWH ZDON IURP RXU KRXVH WR)UDQNOLQ ZLWK WKH EXVLHVW FKLOG FURVVLQJ %XUQVLGH 6WDUN DQG +DOVH\ DQG ,QWHUVWDWH DUUDQJHPHQW LV QRW ZDONDEOH DQG ZRXOG PHDQ D GLVUXSWLRQ RI FRPH XS ZLWK D WUDQVSRUWDWLRQ SODQ WKDW LV FXUUHQWO\ QRW UHTXLUHG E\ WKH ZDONDEOH SUR[LPLW\ RI)UDQNOLQ	3URSROWD07DERU11HJDLQJHLSHW5RQGHVVRQ 0DLQO\ LW LV PXFK DQG WLPH LQYROYHG JHWWLOJ WR DQG IURP VFKRRO &XUUH QJ DW 'LYLVLRQ 7KH SURSRVDO ZRXOG KDYH \$QG LW ZRXOG WDNH PLQXWHV DFFRUGLQJ WR *RRJOH 7KI RXU IDPLO\ VFKHGXOH DQG UHVRXUFHV DV ZH ZRXOG QHHG WF	5HVSQRVH	OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	
6HFRQGO\ , WKLQN LW ZRXOG EH LQFUHGLEO\ LUUHVSQRVLEOH DQG GLVUHVSFWIXO RI WKH VWXGHQWV WR LPSOHPHQW D FKDQJH Z KDYH WR FKDQJH EHWZHHQ KLJK VFKRROV GXULQJ WKHLU KLJK VFKRRO FDUHHU \$IWHU DWWHQGLQJ WKH RULHQWDWLRQV RI ERWK01 DQG)UDQNOLQ WRGD\ LW VHHPHG WKDW WKH\ ZHUH ERWK JRRG VFKRROV EXW WKH GLVUXSWLRQ WKDW ZRXOG FRPH IURP VZLWFKLQ VFKRROV PLGZD\ LV UHDOO\ VKDPHIXO :KLOH WKH WUDQVSRUWDWLRQ LVVXH ZRXOG EH DQQR\QJ , IHO OLNH D PLG FRXUVH FKDQJ VFKRRO FRXOG FDXVH LUUHSDUDEOH GDPDJH WR WKH OHDUQLQJ SURFHVV (DFK VFKRRO KDV LW V RZQ FXOWXUH SURJUDP WUDFNV V\WHPV WKDW EHFRPH PRUH XQGHUWDQGDEOH RYHU WKH \HDUV DORQJ ZLWK UHODWLRQV KLSV ZLWK WHDFKHUV DQG FRXQVHORUV EXLOW XS RYHU WLPH 7KH IDFV WKDW WKH ERDUG ZRXOG HYHQ FRQVLGHU VZLWFKLQJ VFKRROV PLGZD\ XSVHWV PH QR HQG DV WKH REYLRXVO\ KDYH RWKHU SULRULWLHV WKDQ WKH VWXGHQW V GHYHORS VHQVH RI EHORQJLQJ				
, P FRQFHUQHG WKDW WRR PDQ\ IDPLOLHV ZLOO UHFRQVLGHU WKHLU R VSHDNHUV 3OHDVH HGXFDWH WKHP WU\ WR KHOS WKHLU FRQFHUQV	SWRSRWD DQG ZH	1FRJDOG YOR 5H	VFRQV HD PLOLHV	(VSHFLDOO\ 6S
7R FODULI\ RXU VFKRRO LV 5LFKPRQG (OHPHQWU\ ZKLFK LV QRW RQ O\ FRQFHUQ LV WKDW WKH SURFHVV VHPV UXVKHG DQG ODFNV GDWD	WKRSRXWYH\	1HJDWLYH 5HVSQRVH		
ODQJXDJH LPPHUVLRQ RXW RI QHLJKERUKRRG VFKRROV FRXOG XQIDLUO\ LPSDFW WKH SURJUDPV DV ZHOO DV WHDU DSDUW FRPPXQLWLHV EXLOW DURXQG WKH GLYHUVLW\ R QHLJKERUKRRG VFKRROV	3QRVSRVLO SDFW	1HJSDVSRV5HVSQRVH	0RYLQJ DOO RI WKH D PLOLHV WKDW GHSHQG RQ WK KDYLQJ ODQJXDJH LPPHUVLRQ	SURJUDPV LQV
:RRGVWRFN '\, PRYLQJ DZD\ IURP HVWDEOLVKHG VXFFHVV DQG DZD\ IURP OHWWHU	PURSRV DQG SDU	HQWVWLYG QRW	SDQWHQLQJ WR	6KX 5HQ V
3RWHQWLDQO\ RXU FKLOGUHQ ZLOO JR WR GLIIHUHQW KLJK VFKRROV DQG WKH VSHHG RI LPSDFW RQ IDPLOLHV KDV EHHQ FKDOOHQJLQJ	7KURSRV DOR FRP	P HQWVWLYH 5HVSQRVH	5RQGHV	JDJHHPHQW DERXW WKLW
\$OWKRXXJK , OLNHG WKH WKLQJV DERYH WKH /DWLQJ IDPLOLHV DW RXU ZLWK WKH PRYH 7KH\ ZHUH ZRUULHG WKDW LI WKH SURJUDP PRYHG LQ RSSRUWXQLWLHV WKH\ ZHUH ORNLQJ IRU PLJKW QRW EH DW WKH QHZ VHQVH ,I ZKLWH IDPLOLHV OHDYH GXH WR GLVWDQFH DQG WDNH WKHLU XQIRUWXQDW WKH NLGV OHIV LQ WKH SURJUDPV	3URSRVDO WKDW	YERDWRXW5HVSQRVH	5RQGHV	HPHHWLQJ ZH KDG ZHUH Q
/DFN RI WKH ELJJHU SLFWXUH DOO RI VXGGHQ ZH UH PRYLQJ 6(VWXG EDODQLQJ \$OVR ZKDW DERXW &OLPDWH FKDQJH DQG WU\LQJ WR NH VFKRROV"	3QVSRV D 1(LJKDMLRHO5HVSQRVH	5RQGHV	WDLQJ LQWR DFFRXQW LVWDQFH RI WK

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV	70 HPH PXOWLSO	BRWBSLFW SOH	30WDEUOHMRYHW	7 KHPH 1BW	BRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV		5HVSQRVH	OLVWHG LQ FROXPQ %	30HDVH GHVFULEH	



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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSOH	BRWBSLFW SOH 5HVSQRVH	OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	KHPH 1BRW
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6XUYH\ 5HVSQRQVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWESLFW ROH 5HVSQRQVH	60WDFUOHDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1RW 1RW
<RX VKRXOG KDYH D EXLOGLQJ IRU &66 %()25(\RX FRQVLGHU PRYLQJ LW <RX DUH SRWHQWLDOO\ PRYLQJ RQH RI WKH PRVW VRXJKW DIWHU VFKRROV LQ RXU DUHD \$:\$< IURP RXU FRPPXQLW\ :H ZDQW 025(IRFXV RSWLRQV 'R QRW WDNH WKHP DZD\ ,I DQ\WKLQJ PDNH LW ZHLJKWHG IRU WKH FRPPXQLW\ OLNH VRPH RI WKH RWKHU RSWLRQV DQG OHDYH WKH FXUUHQW VWXGHQWV WKHUH , DOVR I FRQVLGHUHG IRU QDWLYH VSHDNHUV ZKR OLYH FORVH WR WKHLU ', SURJUDPV DQG KDYLQJ \RX PRYH LW 1RW HYHU\ RQH FDQ FRPPX				

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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV	70 HPH PXOWLSO	BRWBS LFH 30H	5HVSQRVH	7 KHPH LI QRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV				

6XUYH\ 5HVSQRQVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBSLFW ROH 5HVSQRQVH	30HDFUQHDMRYHW OLVWHG LQ FROXPQ % 30HDFV GHVFULEH	KHPH 1BWRW %
-03 +6 FKDQJH 0DGLVRQ LVQW D FHQWUDO ORFDWLRQ IRU D SURJUDP PRUH FHQWUDO	3URSRVDO	WKGHQWVH IURP	SBQQHRYHU WKH	GLVWULFW *U
30HDFVH PRYH VFKRRO FORVH WR 6(DUHD	3URSRVDO		6XJJHVWLRQ	
0\ FKLOGUHQ ZLOO DWWHQG KLJK VFKRRO LQ 1(DV D SDUW RI WKH -DS KDYHQ W EHHQ FRQVLGHUHG DQG LW VHHPV VKRUWV LJKWHG WR EHJLQ ZLWKRXW D FRPSUHKKHVLYH DVVHV VPHQW RI FDSDFLW\ LQ 1(3RUWODQG) WKH\ OLYH LQ 6(DQG ZLOO QRW EH ZLOOLQJ WR FRPPXWH WR 0DGLVRQ	3URSRVDO	0HUVLRQ SDUW RI WR IHG 0W 7DERU V -DSDQHVH ,)XUWKHU PDQ\ IDPLOLHV LQ -', WKHU GLVWDQFH IRU WKHP WKDQ	5HUVLRQ VVUDQG WR 0DGLVRQ ZLWK SURJUDP	UHGLVWULFW *UDQW
7KHUH DUH D ORW RI FRQFHUQV EXW DV D SDUHQW RI FKLOGUHQ RI -D HVSHFLDOO\ ZRUU\ DERXW FKDQJLQJ KLJK VFKRRO ORFDWLRQ *UDQW UHVHDUFK HVSHFLDOO\ RQ KLJK VFKRROV *UDQW KLJK VFKRRO ,6 WKH -DSDQHVH LPPHUVLRQV 7KHUH DUH VR PDQ\ SDUHQWV ZKR KDYH WKH VVFFHV VIXO VFKRRO EXW DOVR LW KDV RIIHUG -DSDQHVH FODVVHV WR -', KLJK VFKRRO SURJUDP LQ DQG LV WKH RQO\ 336 KLJK VFKRRO	SDQRMDLP PHUVLRQ SDUW RI WKH 0DGLVRQ :KHQ PDMRU UHDFRQ ZK\ , VHQW ERWK P\ NLGV WR VDPH UHDFRQ 1RW RQO\ *UDQW LV DQ DFDGHPLFDOO\	0HUVLRQ SDUW RI WKH 0DGLVRQ :KHQ PDMRU UHDFRQ ZK\ , VHQW ERWK P\ NLGV WR VDPH UHDFRQ 1RW RQO\ *UDQW LV DQ DFDGHPLFDOO\	0HUVLRQ SDUW RI WKH 0DGLVRQ :KHQ PDMRU UHDFRQ ZK\ , VHQW ERWK P\ NLGV WR VDPH UHDFRQ 1RW RQO\ *UDQW LV DQ DFDGHPLFDOO\	0HUVLRQ SDUW RI WKH 0DGLVRQ :KHQ PDMRU UHDFRQ ZK\ , VHQW ERWK P\ NLGV WR VDPH UHDFRQ 1RW RQO\ *UDQW LV DQ DFDGHPLFDOO\
6RPH RI P\ IULHQGV LQ -DSDQHVH LPPHUVLRQ SURJUDP OLYH LQ *UDQW OHDYH WKH -DSDQHVH SURJUDP WR JR WR *UDQW 0\ FRQFHUQ DOVR LV SURJUDP DQG WKH SURJUDP ZLOO EH HOLPLQDWHG HYHQWXDOO\ ,W LV NLQGHUJDUWHQ WKURXJK WK JUDGH	3URSRVDO	QHLJKERUKRRG WKDW OHVV SHRSOH RXU IDPLOLHV DUH FRPPLWVHG WKH -DSDQHVH LPPHUVLRQ	DUHD DQG PRVW VDLG WKH\ ZRXOG SUREDEO WKH -DSDQHVH LPPHUVLRQ	SURJUDP DQG WKH SURJUDP ZLOO EH HOLPLQDWHG HYHQWXDOO\ ,W LV NLQGHUJDUWHQ WKURXJK WK JUDGH
, KDYH PXOWLSOH FRQFHUQV DERXW WKH SURSRVDOV LRSRVDO	1HJDWLYH	5HVSQRQVH	SURJQV ZQGDYZLOGLA	WQFHUQV DHYHXW V
@H PHU£&UH DHVpHU£ %DLRSRVDO				

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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSO	5HVSQRVH	OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO
WKLV SURSRVDO OHDYHV P\ FKLOG ZLWKRXW D EXLOGGLQJ IRU D VFKRRO WKH SURSRVDO ZRXOG FKDQJH RXU KLJK VFKRRO WR RQH PXFK IDUWKHU UHDVRQ WKH SUHVHQWDWLRQ DQG XWWHU LQDELOLW\ RI WKH PRGHUWRUV RI WKH 7KXUVGD\ IHGEDFN PHHWLQJV PDNHV LW VHHP WKH GHFLVLRQ KDV DOUHDG\	3SURSRVDO DEOH	HNDWLPXSWH	LV RI FRQFHUQ	KO\ FRQFHUQLQ IRU WKH ILUVW LF TXHVWLRQ L
+RZ GDUH \RX HYHQ FRQVLGHU DQ RSWLRQ WKDW GRHVQ\W SODQ IRU WKH \RX DOO YROXQWHHUHG WR GR LW ,W LV QRZ WLPH IRU \RX WR SXW LQ DFRXQW \$// RI WKH VWXGHQWV <RXU MRE LV QRW GRQH XQWLO \RX RI WKH RWKHU VWXGHQWV (RQ\RHVDG\ p0A`FN p„EP0€•0P 0P P EO @	VWXGHQWV DW &66 ,	NQRZ WKLV LV D	KDUG ZRUN DQG ILQG D VROXWLRQ	WKDW WDNHV LHV RI &66 DV Z

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSO	BRWESLFW ROH	DUJDFHODMRYHW	KHPH 1BWQRW
3URSRVLQJ WKDW &UHDWLYH 6FLHQFH 6FKRRO KH UHORFDWHG WR DQ DUH QR YDFDQW VFKRRO EXLOGLQJV ODUJH HQRXJK DQG FORVLQJ DQ KDSSHQ DV ZHOO DV WKH SURSRVHG QHLJKERUKRRG VFKRRO FORVXUH LPPHUVLRQ VKRXOG QRW KDSSHQ WR WKRVH FRPPXQLWXHV	3URSRVDO	WLFDOGRH 50H	SRPDNH DQ\ VHQ	VH EHFDXVH WK PRYH LQWR VKR DQJXDJH
1R EXLOGLQJ IRU &66 VKXIIOLQJ WRR PDQ\ VWXGHQWV	3URSRVDO	1HJDWLYH 5H	SRQVH &UHDW	LYH 6FLHQFH 6
,W V H[WUHPHO\ FRQFHUQLQJ WKDW WKH VFKRRO P\ FKLOG DWWHQGV L VFKRRO LV ZRUNLQJ VR ZHOO IRU P\ VSHFLDO QHHGV FKLOG 1RZ , IH JURXQG KDV EHHQ ULSSHG RXW IURP XQGHU XV 6LQFH WKLW SURSRVDO RYHUFURZGLQJ SUREOHP	3URSRVDO	DZDZLWK 50H	SODQ IRU &DHOZL	ORFDWHRQ 70
/RVLQJ ,% DW &OHYHODQG	3URSRVDO	1HJDWLYH 5H	SRQVH 3URJUD	PPLQJ 3DWKZ
7KDW &66 ZRQ W KDYH D KRPH RU WKDW LW ZLOO GLVVROYH	3URSRVDO	1HJDWLYH 5H	SRQVH &UHDW	LYH 6FLHQFH 6
'LVSODFLQJ DFWXDO HQWLUH VFKRROV DQG VWXGHQW ERGLHV LQVWH LPPHUVLRQ VFKRROV WKLW MXVW FUHDWHV D QHZ LQHTXLW\ E\ SUDFWL RI SXVKLQJ IRUZDUG ZLWK WKLW SURSRVDO DW D WLPH RI VXFK XQUHV LQFOXGH EXLOGLQJ RSWLRQV IRU GLVSODFHG VFKRROV DQG VWXGHQW IXQFWLRQLQJ VFKRRO EHLQJ SXVKHG RXW SURSRVDO VHPV WR EH PHPEHU DGPLWWHG WKDW WKH FRPPLWWHH KDGG W KDG WKH WLPH WR KDSKDJDUG SURFHVV ZLWK DQ DJHQGD DOO DORQJ	3URSRVDO	SRYLQJ 1	EFHVLVHSH	SRQWHTX&WHDV
3HUVRQDOO\ P\ FKLOG LV WKULYLQJ DW &UHDWLYH 6FLHQFH DQG ZDV WKH ORFDWLRQ WKH IRUPDW , KDYH RWKHU FKLOGUHQ LQ WKH V HQRXJK DQG WKH SHGDJRJLFDO DSSURDFK KDV EHHQ LQFUHGLEO\ SR ZDQW &66 WR UHPDLQ ZKHUH LW LV DV LW LV	QRW GRLQJ ZHO	LQ RXU QHLJ	KERUKRRG VFKRRO	-DVRQ /HH KHQ WKH\ DUH RQ LQJ H[SHULHQFH
2XU FRPPXQLW\ RXU VWXGHQWV GHVHUYH EHWWHU 0RUH SHRSOH QHHG LV DSSURYHG 7KH IDPLOLHV WKDW ZLOO EH IRUFHG WR FKDQJH VFKRRO LQFUHDVHG FRPPXWH DV VWXGHQWV KDYH WR JR IXUWKHU WR JHW WR 6(GHVHUYH WR EH DZDUH RI WKLW SURFHVV DQG WKH FRQVHTXHGFHV	WR EH DZDUH	RI WKH LVVXH	VWKDW DUH FRPLQJ	LI WKLW SU OLQHV WKH WODQG QRW M

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKL V SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBSLFH ROH 5HVSQRVH	DQWDFUHQDWRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO ORW
0\ FKLOGUHQ QRW EHLQJ DEOH WR ZDON WR VFKRRO :H FXUUHQWO\ OL 6FKRRO DQG)UDQNOLQ +LJK 6FKRRO 7KLV SURSRVDO ZLOO FDXVH P\ FKLOGUHQ WR QRW HYHQ UHPRWHO\ LQ P\ QHLJKERUKRRG :H GLG 127 VSHQG D 0,/,21 WRZQ WR DQRWKHU VFKRRO :H ZLOO ILJKW WKL V SURSRVDO 6(LV FK 3JHUU\PDQGHULQJ RXU VFKRRO JRQHV 7KHUH DUH FORVHU QHLJKERUKRRGV WKDW FRXOG %ULGJHU LV D VWUDLJKW VKRW WR 0DGLVRQ)LQG RXW ZK\ RQO\ RI QHLJKERUKRRG 6WDUW IDFWRULQJ LQ KRZ PDQ\ NLGV DUH SXOOHG IURP HDFK GLVWULFW WR JR WR OR QHLJKERUKRRG VFKRROV RI VWXGHQWV	3URSRVDO EOR FINWDRW*OHGFRVSRQMPHQWDLGVWRXQW 7DERU 0 GROODUV RQ RXU KRPH MXV W WR EH EXVVHG DFFURVV DQJLQJ UDSLGO\ DQG ZH ZLOO QRW VWDQG IRU 336 HVVHQWLD NLGV LQ 0DGLVRQ V GLVWULFW DWWHQG 0D ORZ SHUFHQWDJH RI IUHH RU DVVLVWHG OX			
+RZ HYHU\RQH LV LJQRULQJ WKH ODFN RI GLYHUVLW\ DW *UDQW +LJK 6 SURJUDP VWXGHQWV LV EH\RQG PH :KHUH ZLOO &UHDWLYH 6FLHQFH HQG XS"	3URSRVDO			

<p>6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV</p>	<p>70 HPH PXOWLSO</p>	<p>BRWESLFW ROH 5HVSQRVH</p>	<p>DOVDFUOHDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH</p>	<p>KHPH 1BWO ORW</p>
<p>2Q D SHUVRQDO QRWH , KDYH SXW KXQGUHGV RI YROXQWHHU KRXUV LQWR GHYHORSLOJ RXU JDUGHQV DQG JURXQGV :KLOH , NQRZ LPSURYHPHQWV ZLOO EHQHILW D QHLJKERUKRRG VFKRRO DQG ZLOO DOZD\ EQHILW WKH HQYLURQPHQW LV KDUG WR OHDYH PL DQG , ZRUU\ WKDW PFK ZRUN ZLOO EH ORVW LI WKH VSDFH DUHQ W PDLQWDLQH ZRUN WKDW LV GHSHQGHQW XSRO YROXQWHHUV DGGLWLRQ ODVW \HDU ZH ZHUH SULFHG RXW RI WKH JDUGHQ HGXFDWLRQ WKH 37\$ ZDV SD\QJ IRU DQG VLQFH WKH VSULQJ DQRWKH SDUHQW KDV EHHQ ZRUNLQJ WR GHYHORS RXU RZQ JDUGHQ HGXFDWLRQ FODVVHV 7KLV LV D ELJ FRPLWPHQW DQG D ULVN\ RQH EX ZH KDYH EHHQ H\FLWHG DERXW LW DQG ZRUNLQJ KDUG 6KH UDLVHG DQG GRQDWHG IRRG IURP RXU VFKRRO JDUGHQ RYHU WKH VXPPH , ZRUNHG LQ WKDW VSDFH HYHU\ ZHHN WKLW SDVW VSULQJ DQG VXPPHU WR NHHS LW QRW RQO\ PDLQWDLQH EXW PRLQJ IRUZDUG QHZ URRI RQ RXU VKHG DIWHU YDQGDQV GHVWUR\HG WKH ROG RQH , SUXQHG PRZHG ZHHG ZKDFNHG ZDWHUHG ZHHHG VRODUL]H DQG SXW LQ QHZ SHUHQQLDOV , VKHHW PXOFKHG DURXQG HYHU\ SHUHQQLDO XVLQJ HQGOHVV FROOHFWHG FDUGERDUG , VSUHDG RI PXOFK , GXJ RXW ODUJH ZHHG\ DUHDV DQG UHSODFHG WKHP ZLWK D QR PRZ HFR ODZQ , EXLOW D KRVH ORFNHU IRU DQ LUULJDWLRQ V\ VWHP , PDGH VHFXULW\ LPSURYHPHQWV SRVWHG VLJQV PRXQWHG IDNH VHFXULW\ FDPHUDV WKH\ ZHUH VWROHQ D ZRUNHG RQ RXU IHQFH DQG JDWH , DOVR FOHDQHG XS UHSDLUHG DQG ILOHG SROLFH UHSRUWV IRU ERWK D VKHG EUHDN LQ DQG W D ILUH , UHVHDUFKHG DQG ZURWH XS D 3URMHFW 'HYHORSPHQW 5HTXHVW IRU D JDUGHQ VHFXULW\ IHQFH , PHW ZLWK D)DFLOLWLH ODQDJHU DQG ZH YH KDG RXU UHTXHVW DSSURYHG ,W V DQ DPD]LQJ DQG XQH[SHFWHG GHYHORSPHQW WKDW ZH PD\ QRW H[SHULQH FH 7KDW LV KDUG , YH DOVR GHYHORSHG D JUHDW UHODWLRQV KLS ZLWK RXU VFKRRO FXVWRGLDQV ZKLFK KDV EHHQ FUX NHSLQJ XS WKH VSDFH , MRLQHG WKH QHLJKERUKRRG VDIHW\)DFH%RRN JURXS WR WU\ DQG KHOS PLQLPL]H JDUGHQ YDQGDOLVP WKHIW FDPSLQJ DQG LOOHJDO GUXJ XVH 5LJKW QRZ , DP ZRUNLQJ RQ D JDUGHQ SURMHFW ZLWK WKH ORFDO QRQ SURILW (FR 6FKR 1HWZRUN DV ZHOO DV PHQWRULQJ RWKHU SURMHFW OHQGV DW RWKHU VFKRROV</p> <p>, KDYH VWDUWHG FRPPXQLFDWLRQ LQ D KRSH WR SUHVHUYH DOO RI WKLW JDUGHQ ZRUN VKRXOG &66 PRYH ,Q WKH FXUUHQW SURSR WKH &ODUN %XLOGLQJ ZRXOG EFRPH D QHLJKERUKRRG VFKRRO *URZ 3RUWODQG KDV D FRUQHUVWRQH RI WKHLU QRQ SURILW 7LWQ IRFXVHG JDUGHQ HGXFDWLRQ SURJUDP DW QHDE\ +DUULVRQ 3DUN , KDYH WDONHG ZLWK WKHP RQ WKH SKRQH DERXW P\ KRSH WKD WKH\ ZRXOG KDYH D SURJUDP DW WKH &ODUN EXLOGLQJ ZKLFK ZRXOG SUHVXPDEO\ EH D 7LWOH , VFKRRO 7KH\ XVHG WR SURYLGH FODVVHV IRU &66 DQG VR WKH\ NQRZ WKH VSDFH</p> <p>, UHDOO\ ORYH RXU VFKRRO JDUGHQ VSDFH ,W KDV JLYHQ VR PFK WR PH DQG WR P\ IDPLO\ DQG , KRSH LW LV DQ H[DPSOH IRU ZK ZLVK IRU IRU DOO IDPLOLV LQYROYHPHQW LQ WKHLU VFKRRO SURYLGLQJ WKHP WLPH WRJHWKHU LQ D ZD\ WKDW WKH\ HQMR\ LQY WKHLU FRPPXQLW\ DQG SURYLGLQJ DQ H[DPSOH IRU NLGV DQG RWKHUV RI ZKDW ZH FDQ EH LI ZH ZRUN WRJHWKHU</p> <p>0DQ\ WKLQJV DUH WUXH LQ WKLW GLIILFXOW SURFHVV LW PD\ EH EHVW IRU HTXLW\ IRU &66 WR PRYH \$1' WKDW ZLOO EH KDUG :H ZL PDNH WKH EHVW RI LW , KRSH P\ H[SHULHQFH DGGV WR WKH FRQYHUVWLRQ</p> <p>7KDQN \RX IRU UHGLQJ</p>	<p>3URSRVDO</p>	<p>1HJDWLYH 5HVSQRVH</p>		

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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	7KHPH PXOWLSOH	5HVSQRVH	OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1R
)LQDOO\ WKH WKLQJ , OLNH WKH OHDVW DERXW WKLW ZKROH VFHQDULR :H UH D &66 IDPLO\ ZKR OLYHV EORFNV IURP WKH &ODUN VFKRRO EXLOGLQJ DQG ZH ZKR DOVR DWWHQG VFKRRO WKHUH :H XQGHUVWDQG WKDW WKLW VFHQDULR FDOOV IRU +DUULVRQ 3DUN WR FRQYHUW ZKLFK OHDYHV DOO WKH NLGV LQ WKH FXUUHQW . ZLWKRXXW D EXLOGLQJ EXW ZH WKHQ FXUUHQW SURSRVDO ZKLFK FDXVHV VR PFKX XSKHDYDO WR VR PDQ\ SHRSOH DURXQG WKH FLW\	3URSRVDO	1HJDWLYH 5HVSQRVH	6WDWH	6FLHQFH
/HDYLQJ &66 ZLWKRXXW D EXLOGLQJ WKUHDWHQV WR IXUWKHU GDPDJH WKH OLYHV RI FKLOGUHQ ZKR RI WKH SDQGHPLF DQG WKHLU SDUHQWV ZKR KDYH GHDOW ZLWK WKH UHJXODU WKUHDW RI KDYLQJ WKHLU /HDYLQJ XV KDQJLQJ ZLWK ZH OO ZDLW DQG VHH ZKHU \RX ILW VHPV OLNH LW ZLOO UHVXOW LQ UHVXOW LQ HYHQ PRUH XSKHDYDO				
)XUWKHUPRUH DWWHPSWLQJ WR UHORFDWH &66 ZLOO OLNHO\ DV QRW UHVXOW LQ DQ IRFXV RSWLRQ VRPH \HDUV GRZQ WKH OLQH DQG IXUWKHU DFFXVDWLRQV WKDW IRFXV RSWLRQV WKDW V \RXU FRQFHUQ PD\EH PDNH RWKHU VFKRROV PRUH OLNH &66 UDWKHU WKDQ W DW KRPH				
:H UH QRW RSRVHG WR VHHLQJ &66 PRYH WR D QHZ EXLOGLQJ LQ WKH LQWHUHVW RI NLGV IURP WKH +DUULVRQ 3DUN QHLJKERUKRRG WR JR %XW ZH UH QRW FRQYLQFHG WKH HTXLW\ DQG GLYHUVLW\ D IDFW WKDW ZDV DOO WRR FOHDU DW WKH RSHQ KRXXV ZKHU SHRSOH RQ WKH FRDOLWLRQ GR QRW OLNH VFHQDULR DW DOO				
7KH IDFW WKDW WKHUH LV QR ORFDWLRQ GHVLJQDWHG IRU P\ VRQ V VF &66 LV DEOH WR KDYH D SODFH WR EH , P DOVR FRQFHUQHG DERXW WKH SRWHQWLDO EHLQJ GLVUXSWLYH IRU FKLOGUHQ				
:K\ DUH \RX SXVKLQJ WKH ODQGDULQ SURJUDP PLGGOH VFKRRO DOO VFKRROV PRUH FHQWUDOO\ ORFDWHG EHWZHHQ WKH WZR H[LVLWLQJ ODQGDULQ ,P 1R QHZ KRPH IRU &66 \HW	3URSRVDO	1HJDWLYH 5HVSQRVH	&UHDWLYH 6FLHQFH	6FLHQFH
7KDW P\ VRQ ZLOO QR ORQJHU EH DEOH WR DWWHQG WKH PDQGDULQ L P\ VRQ ZLOO SURJUDWLYH 5HVSQRVH 6WDWH PHQW				
0\ FKLOGUHQ DWWHQG &UHDWLYH 6FLHQFH 6FKRRO DQG LW OHDYHV XV EXLOGLQJ DYDLODEOH IRU XV DQG WKDW & 6 6 ZLOO EH GLVVROYHG RU VSOLW XS 0\ VFKRRO DQG LW ZDVQ W WKH PRVW SRVLWLYH H[SHULHQFH				
7KH SODQ H[SUHVV\ GRHV QRW FRQVLGHU WKH HIIHFWV RI UHORFDW ZLWKRXXW D KRPH XQWLO ODWHU				

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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBS LFV 30H	60WDFUOHDMRYHW	KHPH 1BWO
ZLOO UHPRYH WKH DELOLW\ RI \$WNLQVRQ RU /HQW VFKRROV WR PRYH SURJUDP LI VXFK D PRYH LV LQ WKH EHVW LQWHUHVW RI WKH FKLOG VFKRRO	3VRSRQVHDOV EHW ZLWKRXW UHTXL	ZHHQ D '/', SUR LULQJ WKH VWX	JUDP DQG D QHL GHQW WR PRYH WR D FRPSOHWH	JKERUKRRG WR D FRPSOHWH
, RSSRVH WKH PRYH WR UHTXLUH D FRPPXWH WR ODGLVRQ +6 LQVWHDG QHDU OW 7DERU	3RIRSRVDOV\ ZDO	NHJRWXU 5DP	SRQWR)UDQNOLQ	IURP RXU KRP
/RVV RI GLYHUVLW\ DW QHLJKERUKRRG VFKRROV GXH WR VHJUHJDWLRQ ORFDWLRQV RI 6SDQLVK '/', DQG ,6& ZLWK 1HLJKERUKRRG DW \$WNLQVRQ IXQFWLRQLQJ PLGGOH VFKRRO EXLOGLQJ EHIRUH LW RSHQV DQG WR FRQVLGHU VRPH VWXGHQWV	6RHHUHSDVRURQV V1HQDRXWYHU56	(VSRQVHDOO\ DSSU PDNH +DUULVRQ	3DUN D VWUHHW FURVVLOQJV IRU 06 DQG	HFLDWH WKH F 3DUN D
3XVKHV PLQRULW\ SRSXODWLRQ WR WKH RXWVNLUWV RI 3RUWODQG OR SHUIRULQJ KLJK VFKRRO ZLWK QR ,% SURJUDP :RUULHG DERXW PLGGOH WUDYHO WR &KLQD	6HJUHJDWLRQ QHJRWLYHQ5HV	SRQWR 3XVKH WK JUDGH ILHOG	V NLGV WR D O VWXGLHV ZRU	V NLGV WR D O VWXGLHV ZRU
5DFLDO VHJUHJDWLRQ	6HJUHJDWLRQ	1HJDWLYH 5HVSRQVH		
, DP FRQFHUQHG WKDW WKH ODWLQR FRPPXQLW\ IHHOV SXVKHG RXW VFKRROV , DP LQ IDYRU RI D SURSRVDO WKDW WKH FRPPXQLW\ PRVW ZDQWV ,I WKH\ ZDQW WKLW VFHQDULR WKHQ , ZLOO EH LQ IDYRU RI L LW	60GUGLJWHQIRQ VHUYHG E\ WKH LW EXW LI WKH\	F1KLMHGLYHR5HV IHHO GLVHQIUD	SRQVH (KLJKHU QDQWLYH (QJ DQFKLVHG E\ LW	SHUIRULQJ OLVK VSHDNHU WKHQ , DP QR
7KH 6SDQLVK LPPHUVLRQ SURJUDP EULQJV FXOWXUDO ULFKQHVV WR \$ ZLOO ORVH LPSRUWDQW H[SRVXUH WR FXOWXUDO DQG UDFLDO GLYHUV WR JLYH XS DQ LPSRUWDQW WRRO WR KHOS FXOWLYDWH RXU NLGV LQWR DQWL UDFLW DGXOWV"	6HJUHJDWLRQ LW\ LI \RX LVRO	WKGDWYHLSHV DWH LPPHUVLRQ LQWR RQH VFKRRO	SRQVH :K\ ZRXOG	LPPHUVLRQ SURJ :K\ ZRXOG
\$QG OHWV QRW IRUJHW WKH IDFW WKDW 336 LV DFWLYHO\ VHHNLQJ W XQGHUVHUYHG DQG GLIILFXOW WR DFFHVV DUHD RI WKH FLW\	6HJUHJDWLRQ LW	0HQGDWLYH 5HVSRQVH	FRPPXQLW\ WR DQ	
LPPHUVLRQ PRYHV PDNH QR VHQVH VHP WR SURPRWH VHJUHJDWLRQ IDPLOLHV" 0DSSHG ZKHUH WKH\ DFWXDOO\ OLYH" 1RWH WKDW LPPHUVL EXW WKDW WKH FKLOG KDV LQWHUHVW LQ LW VRPH RYHUOLOO QRW DGGUHVHG	60GUGLJWHQIRQ LW	QVHJRWLYHQ5HVSRQVH YH WR PHDQ WKH IDPLO\ VSHDNV	SRQVH SRNHQ WR VWXGLHV ZRU	LPPHUVLRQ WKH ODQJXD

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	7KHPH PXOWLSO	BRWBSLFW ROH 5HVSQRVH	6SDQFHUQDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	7KHPH 1BWO 6SDQFHUQDMRYHW
7KLV VFHQDULR LV H[WUHPHO\ FRQFHUQLQJ WR PH IURP D UDFLDO HTXL 6SDQLVK HOHPHQWU\ ', WR RQH VFKRRO ZKLFK LV IDUWKHU IURP WKH PDNLQJ RXU LQQHU QHLJKERUKRRGV OHVV GLYHUVH DQG LVRDWLQJ /DWLQJ XQGHUVHUYHG VWXGHQWV IURP /HQW DZD\ IURP WKHLU QHLJKERUKRRG QXPEHU RI 6SDQLVK VSHDNHUV FXUUHQWO\ OLYLQJ LQ D FHUWDLQ JHR FRDOLWLRQ PHHWLQJV WR KH DU UKHWRULF WKDW GLVFXVVHV KRZ SODFLQJ ZLOO EHWWHU VHUYH WKHP ZKHQ QR RQH VSHDNLQJ WKRVH ZRUGV LV \HV WKLW ZLOO PDNH RXU OLYHV HDVLHU FUHDWH HTXLW\ LQFUHDVH RXU KDYH \HW WR KH DU WKDW IURP \$1< RI RXU /DWLQJ IDPLOLHV DQG LQ IHHO WKH\ DUH EHLQJ VHJUHJDWHG DQG SXVKHG RXW 7KH FRDOLWLRQ VFHQDULR ZDV ILQDOLJHG VR , DP QRW VXUSULVHG WKDW PDQ\ IDPLOLHV HQJDJH LQ PDNLQJ WKHLU YRLFHV KHDUG ,W LV QRW ORVW RQ PH WKDW EHLQJ WKH PRVW GUDPDWLFDOO\ DIIHFWHG)DPLOLHV DQG VWXGHQWV DUH ORVV RI LQ SHUVRQ VFKRRO DQG WKLW LV MXVW VXFK D GUDVWLF FKDQJH UHWKLQN WKLW	6HJUHJDWLRQ	1HJDWLYH 5HVSQRVH	6SDQFHUQDMRYHW	7KHPH 1BWO
VHJUHJDWLRQ RI LPPHUVLRQ VWXGHQWV	6HJUHJDWLRQ	1HJDWLYH 5HVSQRVH		
7KH FXUUHQW SURSRVDO WR UHPRYH WKH 6SDQLVK ', SURJUDP IURP \$ VWXGHQWV RI FRORU XQGHFHVVDU\ KDUGVKLS WR VWXGHQWV RI FRORU	6HJUHJDWLRQ	1HJDWLYH 5HVSQRVH	6SDQFHUQDMRYHW	7KHPH 1BWO
,W LV QRW DW DOO FOH DU WR PH ZKDW WKH DGYDQWDJHV DUH RI FRPELQJ 3DUWLFXODUO\ WKH 6SDQLVK ', . SURJUDP DW /HQW (OHP :KDW LV WKH FUHDWH D VLQJOH ORFDWLRQ" 'RHVQW WKDW ZHDNHQ WKH DUJXPHQW RI 336 VXFFHVV UDWH ZKHQ OHDUQLQJ LQ WKHLU QDWLYH ODQJXDJH EXW LQW (QJOLVK" 'RHVQW WKDW XQIDLUO\ LVRDWH WKH 1DWLYH ODQJXDJH VSHDNHUV"	6HJUHJDWLRQ	1HJDWLYH 5HVSQRVH	6SDQFHUQDMRYHW	7KHPH 1BWO
6HJUHJDWLRQ RI LPPHUVLRQ VWXGHQWV ,VVXHV ZLWK FRPPXWLQJ	6HJUHJDWLRQ	1HJDWLYH 5HVSQRVH		

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSO	BRWESLFW ROH	DOVDFUQDMRYHW	KHPH 1RMQRW
,W LV VHJUHJDWLRQ , ZDV VKRFNHG WR UHDG RQ WKLW SDJH WKDW WK OLNH WKH H[DFW RSSRVLWH <RX DUH HVVHQWLDQO\ PRYLQJ WKH PDMR DIIOXHQW QHLJKERUKRRG DQG PRYLQJ WKHP WR D VFKRRO WKDW LV OF ORZHU VRFLRHFQRPLF KRXXVKROGV :K\ LV WKLW QRW WKH RWKHU ZD\ D LVQ W \$WNLQVRQ EHLQJ FKRWHQ WR EH WKH LPPHUVLRQ RQO\ VFKRRO , ZKLWH IDPLOLHV WR XSURRW WKHLU FKLOGUHQ LQ WKH PLGGOH RI WKHLU TXLWH XQIDYRUDEO\ DPRQJ WKRVH SDUHQWV VR LW LV HDVLHU WR GR ZKRP GR QRW HYHQ VSHDN (QJOLVK DQG KDYH QRW EHHQ FRPPXQLFDW PLJKW JR XQUHVLVWHG ,W IHQV OLNH EODWDQW V\WHPDWLF UDFLVP EHLQJ WKDW \$WNLQVRQ H[SHULHQFHV ERWK UDFLDOO\ DQG VRFLRHFQRPLFDQO\ LV QHLJKERUKRRG ZLWK KLJKHU VRFLRHFQRPLF IDPLOLHV SURYLGHV PRUH RXU FKLOGUHQ DQG FODVVURPV ,Q FRPSDULVRQ WR D QHLJKERUKRRG WR QRW ZRUN DQG YROXQWHHU DW WKHLU FKLOGUHQ V VFKRROV WKH RI WKH EHQHILWV RI WKH \$WNLQVRQ SURJUDP /DWLQR FKLOGUHQ DUH WKDW SRVLEO\ PLJKW EH D EHWWHU VFKRRO 7KLV LV WUXH IRU P\ FK QRW EHHQ D QDWLYH VSHDNHU LQ WKH LPPHUVLRQ SURJUDP *RLQJ WR KDV D JUHDW UHSXWDWLRQ KLJK TXDOLW\ HGXFDWLRQ D VWURQJ DQG VFKRRO EHFDXVH RI WKRVH UHVRXUFHV	6HJUJHDWLRQ	1HJDWLYH 5HVSQRVH		
ZKDW SURJUDPV ZLOO EH RIIHULQJ WR WKH VWXGHQWV " KRZ DUH WKH MXVW D VHJUHJDWLRQ RI WKH /DWLQ FRPPXQLW\"	6HJUJHDWLRQ	1HJDWLYH 5HVSQRVH		
\$OO '\, DW /HQW WKLW LV HDVLO\ LQWHUSUHWHG DV VHJUHJDWLRQ HY VKULQNLQJ)DPLOLHV ZLOO KDYH DQ HDV\ FKRLFH WR GURS RXW RI '\,)HHOV OLNH \RX DUH VHJUHJDWLQJ DQG SXVKLQJ RXW WKH ODWLQJ FR ,VRODWLQJ DOO WKH ODWLQR NLGV WR WKH ZRUVW VFKRRO	6HJUJHDWLRQ	1HJDWLYH 5HVSQRVH		
0\ PDLQ FRQFHUQ LV FRQFHQWUDWLQJ '\,V LQ RQH VFKRRO OLNH 5LFK SURJUDP IURP \$WNLQVRQ \$WNLQVRQ KDV KRWHG D YHU\ YHU\ VXFFH ZRQGHU ZKDW WKLW HOLPLQDWLRQ LV HYHQ FRQVLGHUHG , VSRNH ZLWK WHDFKHUV DQG ERWK GLVOLNH HOLPLQDWLQJ WKLW SURJUDP IURP \$WNLQVRQ YHU\ VWURQJ VXSSRUW E\ WKH FRPPXQLW\ PHPEHUV WR NHHS WKH 6SDQLVK UHFRPPHQGHG WR VWDUW D GRXEOH FODVV RI 6SDQLVK ,PPHUVLRQ DV 6SDQLVK VSHDNLQJ DQG QR 6SDQLVK VSHDNLQJ %XW ZKDW LV WUXO\ VFKRRO ZLWKRXW D QHLJKERUKRRG SURJUDP OLNH 5LFKPRQG ZKLFK DWWHQG DQG ZDON WR WKHLU RZQ QHLJKERUKRRG VFKRROV , WKLQN DQG XQQHFHVVDU\ GULYLQJ IRU QHLJKERUKRRG NLGV EXW PDLQO\ LW VFKRROV 6R ZK\ DUH ZH UHFRPPHQGHG WKH HOLPLQDWLRQ RI KIEULG DGPLQLVWUDWLRQ EHFDXVH LW LV GHILQLWHO\ D KXJH FXOWXUDO EDF	6HJUJHDWLRQ	1HJDWLYH 5HVSQRVH		

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV	70 HPH PXOWLSO	BRWBS LFH 30H	60WDFUQDMRYW	7 KHPH 1BWO	BRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV		5HVSQRVH	OLVWHG LQ FROXPQ %		
			30HDVH GHVFULEH		

<p>6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV</p>	<p>70HPH PXOWLSO</p>	<p>BRWBSLFW ROH 5HVSQRVH</p>	<p>OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH</p>	<p>KHPH 1BW XPRW %</p>
<p>)XUWKHUPRUH FRQFHQWUDWLQJ 6SDQLVK '/', WR /HQWV DQG &KLQHVH SULRULW\ 7KDW LV QRW DFFHSWDEOH</p>	<p>6,HW</p>	<p>1LHJDM</p>	<p>SRQDQG QRW VX</p>	<p>SSRUWLYH RI '(</p>
<p>, DP VKRFNHG WKDW 3RUWODQG LQ ZRXOG EH IROORZLQJ D SODQ WKDW UHVXOWV LQ UDFLDO VHJUHJDWLRQ 0D\EH WKH\ FDQ WU MXVWLI\ LW ZLWK VRPH JUDQGHU GLVWULFW SODQ EXW FOHDUO\ :RRGVWRFN KDV EHHQ VHOHFWHG WR EHFRPH D ZHDOWKLHU DQG VFKRRO :RRGVWRFN ZRXOG EH SPÄoLFöÄ L@ÄWRÄ 00 Z WHDW "FQ JDV L^RPRFLH0p VXOSVHD SPÄo Q UPD\EH WRFN ZRS ORWLI\ W IH\ G V0p V\ D\RFK0D\L 4 K0BXJPT€ XpoQWUFOH € QG _ 4 HU \RFK0D\L 4 K0@RFW OH Ap € QG R JUA öP 0pCG Ä•€Ä0 Ç FAVC`Ä@ö0`€ P€ ÄY`1 VHJ V0p€@up Lp°@000 0ö 0ö`ö0 `f€P`Ä@ö0`€ P€£WLFö`P0 V0R\pVC`Ä@ö0`€ P€ ÄY`1 VHJUIK07KDSHJC€Ed!VBA0@ÄÄöi\LHVXCWp0Ä UPFLDO VHJUHJ0 4 HUQG S_QWXJUHHJ0RU\pPVC`Ä@ö0`€ P€ ÄY`1 VH Vö`pÄ p0 LppPÄöP 0Ä€°`LDöI]W0R\pR`VC`Ä@ö0`€ P€ ÄY`1 VHJUIK07KDSHJC€EdeVB`€ 0 H\EHJUGUD%/, PRDO P0p GHGK0VH F P p GH`€ XO UQ J VDD JP\ = _W]PR@VD\ELOUVZPQ@ZR\PH F JUHJ0VR\pQDP`6LDO VHJUHJ\•VC 0`€ P•° p°@0€ 0H\†@SP`, 0p4VDGHCXJV PQ GUD GHP</p>	<p>6,HW</p>	<p>1LHJDM</p>	<p>SRQDQG QRW VX</p>	<p>SSRUWLYH RI '(</p>
<p>VDD G p4YY_ PZR\Q \H FDÄO •Ds W0p€@ÄPPD@öpD ÄpP°@@LFö@ÄPP P VDD K P GUD\G GH# 5IK 4GW p+6R\pQDP`6LDO VHJUHJ\•VC 0`€ P•° p°@0€ 0H\†@SP`2W\ QLP [ED L ue`P° Ä€0ÄÄp€`•€ öÄ0Ä DO VHJ[HUL]V p4 H V p LBWHQGHZUIK V G\ JL ue`LDö`€0€@ @0p€<D€ VVÄFEV\ D€`V\L ue`LD`€`LFö@ÄPP0 @ö@ Çtt0`6LDO VHJUHJ\•VC 0`€ P•° p°@0€ 0H\†@YP`, L ue`</p>	<p>6,HW</p>	<p>1LHJDM</p>	<p>SRQDQG QRW VX</p>	<p>SSRUWLYH RI '(</p>

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<p>6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV</p>	<p>70 HPH PXOWLSO</p>	<p>BRWBSLFV ROH 5HVSQRVH</p>	<p>OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH</p>	<p>KHPH 1BWO XPPQ % EH</p>
<p>, GRQ W OLNH WKDW WKH SURSRVDO SXOOV D GLYHUVH PLI RI NLGV RX EXVHV WKHP PLOHV XS WKH URDG WR &ODUN OHDYLQJ WKH /HQW VFKRRO QHLJKERUKRRG ,W VHPHV WR PH WKDW WKH SURSRVHG VFHQDULR ZLOO SDUHQWV ZKR KDG WKHLU NLGV LQ 6SDQLVK '/', SURJUDPV FKRRVH LQV</p>	<p>WRIUWKDW/HQW QHLJKERUKRRG</p>	<p>OHG ZLWK PDQ\ NLGV IURP RX RRO HYHQ IXUWKHU UHGXFHG LQ</p>	<p>SRFRRO 'ZKHU VFKRROV</p>	<p>WKH\ FDQ ZDO WVLGH RI WKH HQUROOPHQW</p>
<p>, P FRQFHUQHG WKDW WKH SHRSOH ZKR WKLW SURSRVDO SUHVXPHV WR WR SXW WKHLU FKLOGUHQ LQWR :RRGVWRFN V LPPHUVLRQ SURJUDP VR KLVWRULFDQ\ EHWWHU DFKLHYLQJ VFKRROV %\ PRYLQJ DOO LPPHUVLRQ WU\LQJ WR VHJUHJDWH WKHVH 32& , P FRQFHUQHG WKDW PRYLQJ WKH WR SXOO WKHLU NLGV RXW RI VXFK D YDOXDEOH SURJUDP , NQRZ PDQ\ OLFKDHO %DFRQ VDLG WKDW :RRGVWRFN LV WKH PRGHO SURJUDP :K\ FKDQJH WURJUDP WKDW LV VZULQ@E H 0 0@ €` II 00@°€À0€pÀ 0 0P ðp0€p0 ° €pD</p>	<p>EH KHOSLQJ DUH QRW EHLQJ WKDW WKH\ FDQ DOVR JR WR RQ SURJUDPV WR WKH HDVW VLGH HQWLUH SURJUDP RXW RI :RRGVWRFN FKDQJH VRPHWKLQJ WKDW LV</p>	<p>KHDUG PDQ\ IDP +RVIRUG DQG &O VLRG LW ORRNV OLNH \RX DUH H RRGVWRFN ZLOO FD KDYH VDLG WKH\ ZLOO QRW PRYH VXFFHVIXO" 2XU</p>	<p>LOLHV KDYH FK HYHODQG ZKLF OLNH \RX DUH H FDXVH PDQ\ IDPL V<UH 0KH H'</p>	<p>NURJUDPV WG</p>

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRVDO" ,I PXOWLSOH WRSLFV SOH	DVH EUHDNRXW	
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRVDO" ,I PXOWLSOH WRSLFV SOH	DVH EUHDNRXW	
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSO 5HVSQRVH	BRWESLFW ROH OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWR FRW
, OLNH KDYLQJ WKH GLYHUVLW\ WKH &KLQHVH LPPHUVLRQ EULQJV WR : WR VHH WKDW FKDQJH	FRQVWRWUHQH HQWDU\ DQG	WVWYH5HVSQRVH KRRRG :RXOG QRW	
7KH SURSRVDO DQG ZRUN VHHPV WR KDYH PDUJLQDOLJHG FRPPXQLWLH WKH SURSRVHG VROXWLRQ DW OHDVW IRU WKH 0,3 LV QRW DOLJQHG ZRUN ZDV VXSSRVHG WR FHQWHU RQ HTXLW\	6RQJFHORWUHQH WKH GXDO10DDW	WVWYH5HVSQRVH KRRRG :RXOG QRW	
\$QG FULWLFDOO\ WR RXU IDPLO\ V NQRZOHGJH 121(LI DQ\ RI WKH :RRGVWRFN GHVLUH WR KDYH WKHLU FKLOGUHQ DWWHQG DQ DOO ODQG FRQQHFWHG WR WKH IDPLOLHV LQ WKH 0,3 VSHDN DERXW DQG YDOXH	6RQJFHORWUHQH WKH GLYHUVLW\	WVWYH5HVSQRVH KRRRG :RXOG QRW	
<RX DUH VWLOO SXVKLQJ WKH \$VLDQV RXW RI WKH :HVW QHLJKERUKRR GRQ W EX\ LW DQG LW VWLQNV RI SXVKLQJ \$VLDQV RXW RI WKH :HVW &OHYHODQG ,W LV ELJDUUH WKDW \RX WDUJHW PDLQO\ WKH 0,3 VFKRROV DQG SODFH LW LQ ORZHU SHUIRUPLQJ OHVV DWWHQGHG VFKRROV <RXU WKH IRXQGDLWRQ WKHVH SURJUDPV DUH EXLOW RQ DQG IRUFLQJ WKHP HTXLWDEOH EXW LW UHHNV RI YHLOHG ELDV DQG UDFLVP :K\ WKH 0,3 ZHUH REYLRXV VHWEDFN 7HDFKHUV TXLW DQG WKH VWXGHQWV GLG QRW VWUXJJOLQJ WR SHUIRUP DV ZHOO DV WKH ILUVW &KLQHVH 0,3	6RQJFHORWUHQH WKH GLYHUVLW\	WVWYH5HVSQRVH KRRRG :RXOG QRW	
, GRQ W OLNH WKDW ', SURJUDPV ZLOO EH SXOOHG IURP PDQ\ QHLJKE WKHLU NLGV WR VFKRRO RU VLPSO\ SXOO WKHLU NLGV RXW RI WKH ', WKH\ XVHG WR JHW ', LQVWUXFWLRQ	6RQJFHORWUHQH WKH GLYHUVLW\	WVWYH5HVSQRVH KRRRG :RXOG QRW	
7KH YRLFHV RI QRQ ZKLWH FRQVWLWXHQWV DSSHU WR KDYH EHHQ WKDW ZDV DGYDQFHG , WKLQN WKLW FRXOG SRWHQWLDOO\ RSHQ 3RUW DUH IRXQG JXLOW\ RI UHGOLQLQJ SHRSOH RXW RI FHUWDLQ VFKRROV OHDUQHUV WR ORZHU SHUIRUPLQJ VFKRROV ZKLOH SULRULWLJLQJ WKH PRUH KLJKO\ SHUIRUPLQJ VFKRROV	6RQJFHORWUHQH WKH GLYHUVLW\	WVWYH5HVSQRVH KRRRG :RXOG QRW	
+DV DQ\ PRGHOLQJ GRQH ZLWK WKH SRWHQWLDO GLVHQUROOPHQW RI RSW WR FRQLQXH DWWHQGLQJ &OHYHODQG 0\ GDXJKWHU LQ WLPH ZLOO DGRSWG	6RQJFHORWUHQH WKH GLYHUVLW\	WVWYH5HVSQRVH KRRRG :RXOG QRW	
0,3 SURJUDP LV QDWLRQDOO\ NQRZQ SURJUDP WKDW KDV EHHQ VXFFH FRORFDWLRQ VR WKHLU VXFFHVV LV QRW EHLQJ KRQRUHG DQG WKHLU LV QRW D SUREOHP ZLWK WKH EXW WKH\ DUH EHLQJ GLVPDQ	6RQJFHORWUHQH WKH GLYHUVLW\	WVWYH5HVSQRVH KRRRG :RXOG QRW	
‡ , WKLQN WKLW LV LQFUHGLEO\ XQIDLU IRU WKH VWXGHQWV DQG IDPLO .LQGHUJDUWHQ RQ WKH SUHPLVH WKDW WKH\ ZLOO DWWHQG *UDQW +LJK ‡ 7KH -', KDV EHHQ DW *UDQW +6 VLQFH LWV LQFHSWLRQ ,W KDV EURXJKW QRW RQO\ GLPLQLVK LQ VLJH DQG LQWHUHV LI PRYHG EXW DOVR IHU WKH ‡ 0DGLVRQ LV 127 FHQWUDOO\ ORFDWHG DV DUH RWKHU VFKRROV LQ WKH -', IDPLOLHV WR JHW WKHUH	6RQJFHORWUHQH WKH GLYHUVLW\	WVWYH5HVSQRVH KRRRG :RXOG QRW	

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBS LFH SOH 5HVSQRVH	60WDFUOHMRYW OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	7 KHPH 1BWO BRW
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV	70 HPH PXOWLSO	BRWBS LFH 30H	60WDFUQDMRYW	7 KHPH 1BWO	BRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV		5HVSQRVH	OLVWHG LQ FROXPQ %		
			30HDVH GHVFULEH		

<p>6XUYH\ 5HVSQRQVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV</p>	<p>70HPH PXOWLSO</p>	<p>5HVSQRQVH</p>	<p>OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH</p>	<p>KHPH 1BWO</p>
<p>7LPLQJ \$V P\ IDPLO\ LV DIIHFWHG E\ WKLW ,P ZRQGHULQJ ZK\ GLGQW , UHFHLYH D SRVWFDUG DERXW LW LQ WKH PDLO" , IRXQG RX IURP P\ QHLJKERU 1RY WK DQG ZDV RQO\ DEOH WR DWWHQG RQH DVVFLDWLRQ PHHWLQJ DERXW WKLW WRSLF EHIRUH WKH 1RY WK RSHQ KRXXH 7KH GHGOLQH WR PDNH WKLW GHFLVLRQ QHHGV WR EH \$XVKHG RXW XQWLO WKH VSULQJ</p>				
<p>'DWD ,YH UH DG WKURXJK WKH UHSRUW SUHSDUH E\)/2 DQG ZKLOG p4°€0P p4°€ @KT™ €0Fp@p@0À 0p°À`0P€0 Ppöp0 °DÀp0@ p0 °€P€0 7KH 7LPLQJ RIQ WKLW UH DUH LQ WKH P GGOJ RIQ DQ 4°UHDG\ KRDUWEO\ RQVWDEOH DQG GHUHRX DWLQJ 7LPD Z WK WKH DQGHP H DG RQOLQH FKRQOLQH 7KLV X DV XUR RVHDV WKLW UW U ZH R E FV IRU UHRX DH FKRQO LQ WKH H FKRQO \HDH9'H nP GV ZRX G KLY @WLIIGHUHDQWX HDHQLQJHDQ LHRQUHDQWV LQ A\HDHV\ FKDQZLQJ FKRQOVJHDGHU\ \HDH)LHRU RQOLOH WR DW XQ RQ WR UHQWV WR 7KH *X HQVRHV FRUUHQW\ ZDV QLW LQ LGHG 00@PpÀ`À0@°€ À 0p°À`05€° @e•€ \$• 0p°€00À@` À 4,,@•€0 0p° € °0p°€0t€ 00t€ 00P 0 d@Ka 0</p>				

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV	70 HPH PXOWLSO	BRWBS LFH SOH	60WDFUOHDMRYW	7 KHPH 1BWO	BRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV		5HVSQRVH	OLVWHG LQ FROXPQ %		
			30HDVH GHVFULEH		

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSO	BRWESLFW ROH	60WDFUOHDMRYHW	7KHPH 1BWO
, GRQ W XQGHUVWDQG ZK\ WKH -03 -', SURJUDP LV EHLQJ PRYHG IUR 0DGLVRQ PRYLQJ WKH SURJUDP WR 0DGLVRQ PDNHV LW LPSRVVLEOH I FKLOGUHQ ZHUH WR XVH SXEOLF WUDQVSRUWDWLRQ WR JHW WR 0DGLV D PLOH ZDON WR 0DGLVRQ 7KDW PHDQV RQO\ IDPLOLHV ZLWK IOH[LE XS GURS RII WKHLU NLGV FDQ FRQWLQXH LQ -03 \$OVR P\ NLGV KDYH E KDUG WR JHW WKHLU VHDO RI ELOLWHUDF\ 1RZ WKH\ ZRQ W EH DEOH Y KLJK VFRRRO -DSDQHVH , KDYH WZR VWXGHQWV FXUUHQWO\ DW *UDQW SDQGHP LF KDV FDXVHG WKH\ ZLOO KDYH WR VZLWFK WR WKHLU QHLJK XQIRUWXQDWH , DOVR GRQ W UHDOO\ VHH KRZ UHPRYLQJ D VPDOO SUI VHQLRU \HDUV ZRXOG KHOS ZLWK RYHUFURZGLQJ DW *UDQW LW ZRXO NLGV DUH DW OHDVW SDUWO\ \$VLDQ DOWKRXJK PRVW DUH HFRQRPLFD	7UDQVSRUWDWL	1HJDWLYH 5HV	SRQVH	
\$V D *OHQFRH 0W 7DERU IDPLO\ WKLW ZRXOG KDYH D GUDPDWLFDOO\ Q 6DIHW\ :H OLYH QHDU WK DQG +DZWKRQH)UDQNOLQ LV D PLQXWH 0LOH ZDON WKURXJK TXLHW VWUHHWV 0DGLVRQ ZRXO EH D KR XU PLOH ZDON DFURVV PDMRU LQWHUVHFWRQV DQG RYHU WKH ,QWHUVWDWH IUHHZD\ 2XU IDPLO\ ZRXOG QRW EH WR DFFRPPRGDWH GULYLQJ WR IURP DQG ZH DUH YHU\ FRQFHUQHG DERXW VDIHW\ RI RXU NLGV LI WKLW SURSRVDO ZHUH DFFHSWHG	7UDQVSRUWDWL	1HJDWLYH 5HV	SRQVH	
&RPPXQLW\ :H OLYH LQ 6RXWKHDVW DQG DUH D SURXG SDUW RI WKLW QHLJKERUKRRG VFRRROV DQG EHOLHYH LQ WKH VHQVH RI FRPPXQLW\ WKDW JURZV RXW RI RXU NLGV DWWHQGLQJ VFRRROV ZLWKLQ D UHDVRQDEOH JHRJUDSKLF GLVWDQFH ZLWK WKHLU QHLJKERUV 7KH HQWLUH 6RXWKHDVW FRPPXQLW\ ZRXOG ORVH WKDW LI NLGV DUH PLOHV LQWR WKH 1RUWKHDVW FRPPXQLW\	7UDQVSRUWDWL	1HJDWLYH 5HV	SRQVH	
1RERG\ RQ WKLW FRDOLWLRQ KDV EHHQ UHSUHVHQWLQJ WKLW QHLJKER LQWHUHVW LQ ZDONDELWLW\ KDYLQJ VDIH URXWHV WR VFRRRO IRU RXU NLGV DQG KDYLQJ JRRG WUDQVSRUWDWLRQ RSWLRQV DYDL 0DGLVRQ LV WRR IDU DZD\ IURP WKLW QHLJKERUKRRG WR EH RXU QHLJKERUKRRG VFRRRO	7UDQVSRUWDWL	1HJDWLYH 5HV	SRQVH	
0\ FKLOGUHQ KDYH EHHQ LQ WKH -DSDQHVH /DQJXDJH 3URJUDP IRU RY DQG *UDQW	7UDQVSRUWDWL	1HJDWLYH 5HV	SRQVH	
:H OLYH LQ 6RXWK :HVW 3RUWODQG &RPPLWPHQW WR ODQJXDJH OHDU FRPPXWLQJ WR DQG IURP VFRRRO ,W LV LPSRVVLEOH WR LPDJLQH FRPPXWLQJ HYHQ IDUWKHU WR 0DGLVRQ ,IP VXUH 0DGLVRQ ZLOO EHDXLIXO +RZHYHU DGGLQJ PRUH WLPH WR D DOUHDG\ ORQJ FRPPXWH PDNHV LW XQZRUNDEOH ,W ZRXOG EH XQIRUWXQDWH WR V :HVW 6LGH \$QG 1RUWK 3RUWODQG IDPLOLHV GURS RXW RI -DSDQHVH /DQJXDJH OHDUQLQJ IRU ORJLVWLFDO UHDVRQV ,I 336 FDUHV D GLYHUVLW\ DQG ODQJXDJH OHDUQLQJ WKH\ QHHG WR FRQVLGHU KRZ FHQWUDOL]HG WKH VFRRRO LV WR WKH HQWLUH 336 GLVWULFW	7UDQVSRUWDWL	1HJDWLYH 5HV	SRQVH	
7KH WUDQVSRUWDWLRQ LPSDFW 'LVWDQFH WR HDFK VFRRRO LV QRW D FKLOG IURP D PLQXWH ZDON WR D PLQXWH 7ULOHW EXV ULGH WKDW ZRXOG GHFUHDVH WKHLU DELOLW\ WR SDUWLFLSDWH LQ DIW DFWLYLWLHV HQULFKPHQWV DQG EH D SDUW RI WKH +6 FRPPXQLW\ HVSHFLDOO\ VLQFH LW LV QR ZKHUH QHDU ZKHUH ZH OLYH	7UDQVSRUWDWL	1HJDWLYH 5HV	SRQVH	

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV	70 HPH PXOWLSO	BRWBS LFH 30H	5HVSQRVH	7 KHPH LI QRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV				

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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBS LFH 30H 5HVSQRVH	60WDFUHQDWRYW OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	7 KHPH 1BWO BRW
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPPH PXOWLSOH 5HVSQRVH	BRWBSLFW ROH OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	KHPH 1BWO % EH
, GRQW OLNH WKH HOLPLQDWLRQ RI WKH . VFKRRO ,W SURYLGHV D WUDQVLWLRQV LQ WKUHH \HDUV WKH\ PDNH RQH IURP WKHLU ILUVW VFKRRO WR WKHLU ODVW :H KDYH PDVVLYH UHVVHUYDWLRQV V NLGV DFURVV QG :H SUHVHQWLQJ OLYH EORFNV IURP %ULGJHU :H OLNH RXU QHLJKERUKRRG FODVVURRP LQ D '\, VFKRRO EHFDXVH WKH FODVV VLJHV DUH VPDOOHU DQG ZH NQRZ DOO WKH WHDFKHU IURP \HDU WR \HDU 7KLW IHQOV YHU\ XQVHWOLQJ FRQVLGHULQJ WKH \HDU ZHUH DOUHDG\ KDYLQJ \$GGLWLRQDO\ ZK\ ZRXOG WKH 6SDQLVK SURJUDP RXW" :K\ FDQW WKH 6SDQLVK SURJUDP VWD\ DQG WKH 0DQGDULQ SURJUDP EH FUHDWHG E\ JXWWLQJ VRPHRQH HOVHV QHLJKERUKR VFKRRO"			
, KDYH D VLJQLILFDQW FRQFHUQ DERXW WKH JHRJUDSKLF LPSDFWV RI ZKHQ WKHUH LV DOUHDG\ D KLJK VFKRRO LQ WKH WDERU QHLJKERUKRRG 3RUWODQG SULGHV LWVHOI RQ LW V QHLJKERUKRRG V ZDO 0DQ\ IDPLOLHV PRYH WR RXU LQQHU FLW\ QHLJKERUKRRGV ZLWK WKH XQGHUWDQGLQJ WKDW RXU FKLOGUHQ FDQ VDIHO\ ZDON ULG ELNHV WR VFKRRO ,W FOHDUO\ PDNHV PRUH VHQVH WR IXQQHO VFKRROV IURP 1(QHLJKERUKRRGV WR 0DGLVRQ			
,Q DGGLWLRQ , DP FRQFHUQHG DERXW VSOLWWLQJ XS *OHQFRH WR WZR GLIIHUHQW PLGGOH VFKRROV 0LGGOH VFKRRO LV D FKDOOH YXOQHUEOH WLPH IRU FKLOGUHQ DQG VHSUDWLQJ WKHP IURP WKHLU IULHQGV GXULQJ WKLV GLIILFXOW WUDQVLWLRQ LV XQKHDOH GRHV WKLV SURSRVDO VHQG WKHP WR GLIIHUHQW PLGGOH VFKRROV EXW GLIIHUHQW KLJK VFKRROV 6HHPV OLNH WKHUH DUH EHWWH DOWHUQDWLYHV WR WKLV RSWLRQ			
+RZ GR ZH JHW RXU YRLFHV KHDUG DQG ILJKW WKLV" +DYH 336 ERXQG LI WKH FRDOLWLRQ PHPEHUV WKRXJKWV DUH EHLQJ RYHU ULGGHQ WKH QHLJKERUKRRG YRLFHV ZLOO EH VTXDVKHG DV ZHOO +XJH LVVXHV HQYLURQPHQWDO WUDIILF D FRPPXQLW\ QHLJKERUKRRG GLYLGHG HWF			
PLQXWHV GDLO\ WUDYHO WLPH	7UDQVSRUWDWLRQ DQG 6DIHW\ 1HJDWLYH 5HVSQRVH		
, OLYH RQ WK QRUWK RI SRZHOO WKH QHZ ERXQGDU\ ZRXOG SXW P\ 3RZHOO 5LJKW QRZ P\ FKLOGUHQ ZRXOG EH DEOH WR ZDON ZLWK XV WR VFKRRO ZLWK PLQXWHV %XW \RXU SURSRVHG ERXQGD ZRXOG UHTXLUH XV WR GULYH RXU FKLOGUHQ WR VFKRRO DFURVV D VWUHHW KLJKZD\ WKDW LV WRR GDQJHURXV WR FURVV 7KH HQYLURQPHQWDO DQG SK\VLFDQ LPSDFW ZRXOG FUHDWH D VLJQLILFDQW KDUGVKLS IRU RXU IDPLO\ \$OVR LW ZRXOG EH D SLW\ WKD FKLOGUHQ V RQO\ QHLJKERUKRRG IULHQGV ZRXOG EH DWWHQGLQJ D GLIIHUHQW VFKRRO WKDQ WKHP			
0\ SULPDU\ FRQFHUQ LV WKDW P\ GDXJKWHU ZLOO VSHQG WZR KRUV R SODQQHG PXFK RI RXU OLYHV LQFOXGLQJ ZKHUH WR EX\ D KRUVH DURXQG WKH 5LFKPRQG 7DERU *UDQW -03 SURJUHVVLRQ			
,P FRQFHUQHG WKDW QR VWXGLHV ZHUH FRQGXFWHG LQWR ZKHWKHU DOVR FRQFHUQHG DERXW WKH LPSDFW PRYLQJ 0W 7DERU WR 0DGLVRQ			
\$ ORW 7KLW IHQOV UXVKHG 8SURRWLQJ NLGV IURP ZKDW WKH\ NQRZ 6DIHW\ LVVXHV WUDIILF FRQJHVWLRQ DQG HQYLURQPHQWDO LVVXHV DZD\ ZKHQ WKHUH LV DQ XQGHU HQUROOHG SHUIHFWO\ JRRG VFKRRO			

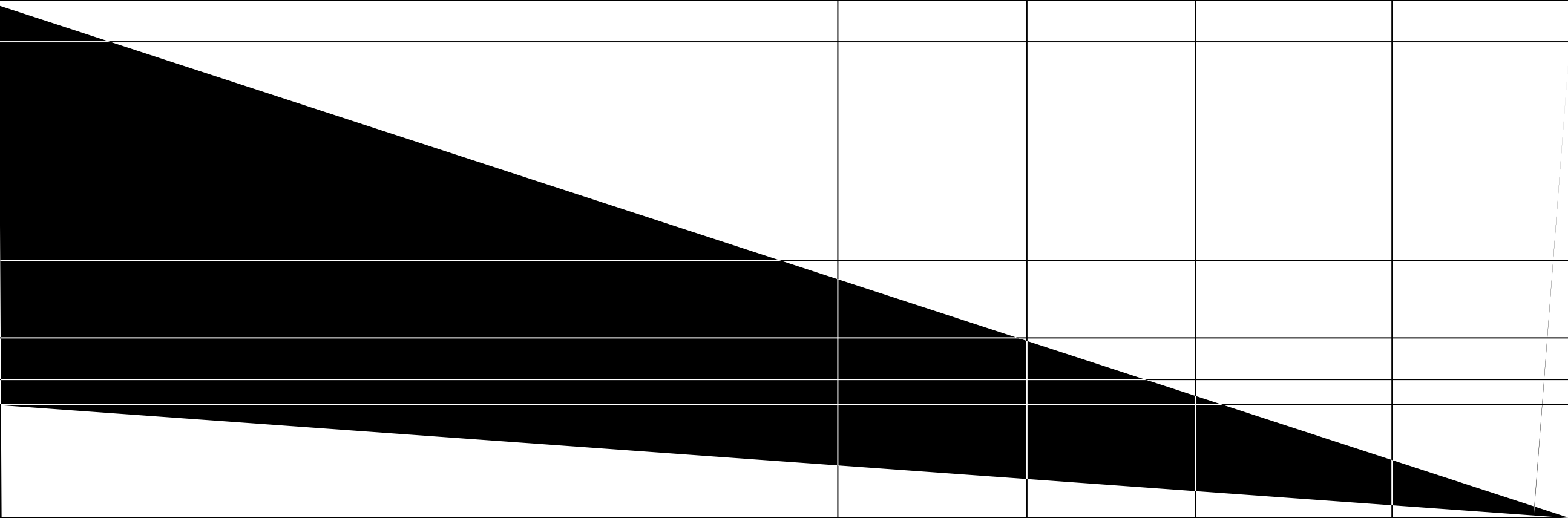
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSOH 5HVSQRVH	BRWESLFW ROH 5HVSQRVH	QJWDFUQDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO FROXPQ %
21 FRQFHUQ LV WKH 3KDVH SURSRVDO PRYLQJ WKH +LJK 6FKRRO -'/, SURJUDP KDV DOZD\V EHHQ FHQWUDO\ ORFDWHG LQ WKH 336 GLVWULFW 5LFKPRQG 07 7DERU DQG *UDQW DUH LQ FORVH SUR[LPLW\ WR HDFK RWKHU ZKLFK DOORZV ZRUNLQJ IDPLOLHV ZLWK -'/, VWXGHQWV DW GLIIHUHQW VFKRROV WR FRRU GLQDWH WUDQV ZLWK VLEOLQJV 7KH FHQWUDO ORFDWLRQ RI WKH -'/, SURJUDP VFKRROV DOVR DOORZV JUHDWHU HTXLW\ LQ DFFHVV LQJ WUDQVSRUW VWXGHQWV WUDYHOLQJ IURP YDULRXV SDUWV RI WKH 336 GLVWULFW \$DUWLFXODUO\ WKH :HVWVLGH 0RYLQJ WKH +LJK 6FKRRO -'/, S ZLOO DOVR LPSDFW WKH -DSDQHVH /DQJXDJH RIIHULQJ WR 1HLJKERUKRRG VWXGHQWV DW *UDQW -DSDQHVH ODQJXDJH KDV EHHQ RIIHUHG DW *UDQW SULRU WR WKH -'/, SURJUDP LQFHSWLRQ	70HPH PXOWLSOH 5HVSQRVH	BRWESLFW ROH 5HVSQRVH	QJWDFUQDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO FROXPQ %
,I WKH -DSDQHVH /DQJXDJH SURJUDP PRYHV WR ODGLVRQ KLJK VFKRRO WZLFH WKH WLPH FRPPXLQJ RXW WKHUH :H ZLOO FRQVLGHU GURSSLQJ IURP WKH SURJUDP LI LW LV PRYHG WR ODGLVRQ , DP DOVR FRQFHUQHG WKDW WKH FXOWXUH RI WKH FKLOGUHQ LQ 5LFKPRQG ZLOO EH YDVWO\ GLIIHUHQW IURP WKDW RI ODGLVRQ	70HPH PXOWLSOH 5HVSQRVH	BRWESLFW ROH 5HVSQRVH	QJWDFUQDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO FROXPQ %
:K\ ZRXOG 336 PRYH WKH -DSDQHVH SURJUDP ZLWK D KLVWRU\ RI HOHPHQWU\ DQG PLGGOH VFKRROV WKDW IHG LQWR WKH SURJUDP KJK VFKRRO" ,W VHHPV LI LW ZHUH WR EH PRYHG WKDW)UDQN VFKRRO ZRXOG EH WKH DSSURSULDWH RSWLRQ VLQFH WKHQ DOO VFKRROV ZRXOG EH LQ WKH)UDQNOLQ FOXVWHU :KHQ IDPLOLHV WKH SURJUDP WKH\ DUH EDQNLQJ RQ WKH VFKRRO EHLQJ FORVHU WR WKH RWKHU WZR VFKRROV ZKHQ WKH\ KDYH PXOWLSOH VLEOLQJ SURJUDP	70HPH PXOWLSOH 5HVSQRVH	BRWESLFW ROH 5HVSQRVH	QJWDFUQDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO FROXPQ %
7UDQVIHUULQJ WKH 6SDQLVK 'XDO /DQJXDJH ,PPHVLVRQ SURJUDP WR / \$WNLQVRQ FRPPXLW\ DQG DOVR FDXVH D QXPEHU RI LVVXHV DURXQG VWXGHQWV WKDW SUHYLRXVO\ OLYHG LQ WKH \$WNLQVRQ DUHD ZRXOG WKHUHIRUH ZRXOG QHGH WR EH GULYHQ LQVWHDG \$V D UHVXOW WKH XQVDIH DQG FRQMHVWHG DV ZHOO DV DURXQG /HQWV &UHVWRQ DQG	70HPH PXOWLSOH 5HVSQRVH	BRWESLFW ROH 5HVSQRVH	QJWDFUQDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO FROXPQ %

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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBS LFV ROH 5HVSQRVH	60WDFUOHDMRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWO 0R
0\ FRQFHUQ LV WKDW WKH FXUUHQW SURSRlaw STtpB%qGQ u LV p u lazp HUUHQW'p u 1GQ•qGQ LPP P d-pÀsSTu qGPA 1đ qPP AGPlarS -SFqGP PP€ p				

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV 70 HPH PXOWLSO BRWBSLFW SOH 5HVSQRVH 30H
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV OLVWHG LQ FROXPQ % 30HDVH GHVFULEH



<p>6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV</p>	<p>70 HPH PXOWLSO</p>	<p>5HVSQRVH</p>	<p>OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH</p>	<p>KHPH 1BWR</p>
<p>0\ FRQFHUQV DUH WKDW JHRJUDSK\ LV QRW EHLQJ HPSKDVLIHG HQRXJK WKH 6RXWK 7DERU QHLJKERUKRRG DQG D ODUJH UHDVRQ WKDW ZH FKRVH WD\HV LV WKDW ZH FRXOG OLYH LQ D ZDONDEOH QHLJKERUKRRG :H ORYH IRUZDUG WR ZDONLQJ .HOORJJ RQH GD\ +DYLQJ WR EXV WR +DUULVRQ VWURQJO\ WKDW WKH ERXQGDU\ IRU \$WNLQVRQ VKRXOG EH 3RZHOO QRW :RRGZDUG)RU IHOOV YHU\ XQIDLU WKDW WKHLU FKLOGUHQ FRXOGQ W ZDON WKURXJK WKH SDUN OLNH WKHLU QHLJKERUKRRG VFKRRO</p>	<p>71URDQIDSRLOWBWL</p>	<p>QWQKGGHDIHWR</p>	<p>QHLJKERUKRRG DQG KDYH EHHQ OR DQG KDYH EHHQ OR</p>	<p>FRQW HOLYH LQ KLJK SURSHUW DOVR IHHC</p>
<p>0RYLQJ DQ QHLJKERUKRRG WR D KLJK VFKRRO RXWVLGH RI WKH QHLJKE 0RYLQJ QHLJKERUKRRGV WR DFFRPPRGDWH '\, SURJUDPV WKDW DUH FKRLFHV FRQVFLRXV FKRLFH WR VWD\ LQ WKHLU QHLJKERUKRRG IRU VFKRRO '\, SURJUDPV</p>	<p>ERUDKRSRZMDKW</p>	<p>RUDDQSRGDMBWL</p>	<p>LRIQLDWXHH</p>	<p>DQGSQQYDI DELOLW\ D PDGH WKH DOORZV</p>
<p>0RYLQJ WKH LPPHUVLRQ SURJUDP IURP \$WNLQVRQ WR /HQW ZLOO SUHYHQW SURJUDP DQG ZH ZLOO QHHG WR FKDQJH WR D WUDGLWLRQDO SURJUDP :H ZLOO RX# IDELLRWVZMDRWJDLVGBQHWRPK DIDMEUKVFKRRORU DP ZR MWKH WUDRGCZLQ</p>	<p>YHQW XV IURP EHLQJ DEOH WR</p>	<p>FRQWLQXH LQ WKH LPPHUVLRQ</p>	<p>DQG LW FRPSOLF</p>	<p>ORWWHULHG L</p>

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70 HPH PXOWLSO	BRWBS LFH SOH 5HVSQRVH	60WDFUHQDWRYW OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	KHPH 1BWO BRW
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRVDO" ,I PXOWLSOH WRSLFV SOH	DVH EUHDNRXW	
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSO	BRWBSLFW ROH 5HVSQRVH	60WDFUQDMRYW OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	7KHPH 1BWO BRW
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRVDO" ,I PXOWLSOH WRSLFV SOH	DVH EUHDNRXW	
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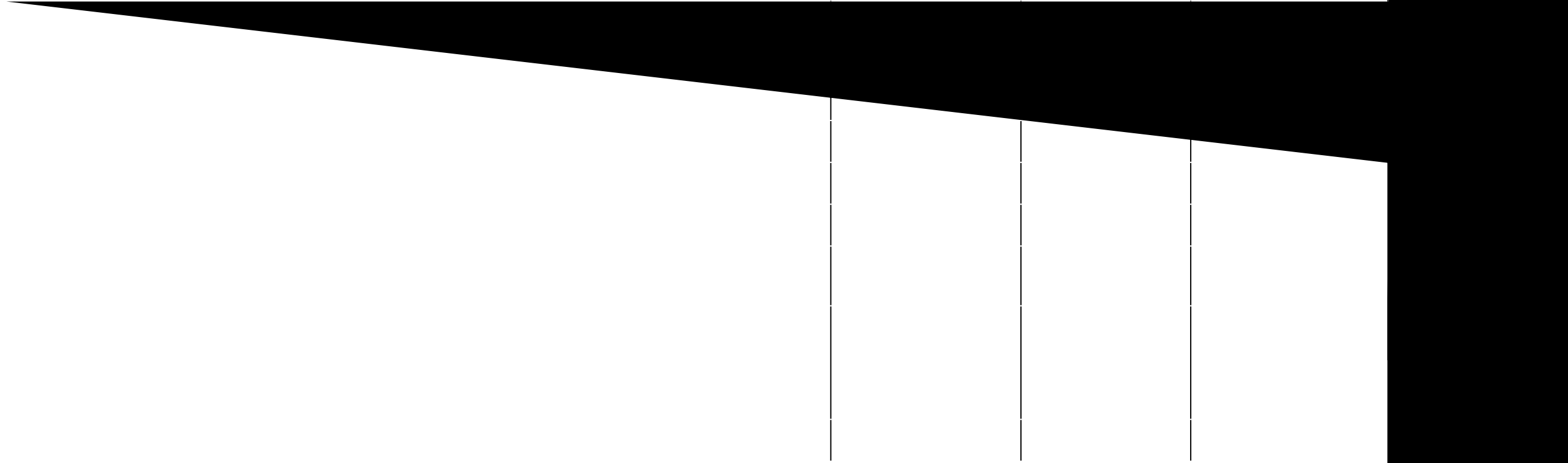
6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV	70 HPH PXOWLSO	BRWBS LFH 30H	60WDFUQDMRYW	7 KHPH LI QRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV		5HVSQRVH	OLVWHG LQ FROXPQ %	30HDVH GHVFULEH

6XUYH\ 5HVSRQVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	DQHPH PXOWLSO	BRWBSLFW ROH 5HVSRQVH	DQWDFUHQDWRYHW OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BWQVW
&RQVROLGDWLRQ RI DOO 6SDQLVK '/', VWUDQGV DW /HQW FUHDWHV D DQG WKH GLVSODFHG QHLJKERUKRRG VWXGHQWV LQ /HQWV ZKR ZLOO QHHG WR JR WR D QHZ VFKRRO SRVVLEO\ VLJQLILFDQW EXUGHQ JLYHQ WKDW LQ 336 V SKRQH VXUYHV RI /HQW IDPLOLHV WKH IHHGE DFN ZDV WKDW WKH GRQW KD	WUDQVSLUDWLRQ EXUGHQ IRU	ERWK WKH VWXGHQWV LQ WKH	RXWVLGH RI WKHLU QHLJKERUK	HEQ L `tUDRJW\

6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV	70 HPH PXOWLSO	BRWBS LFH 30H	60WDFUQDMRYW	7 KHPH 1BWO	BRW
VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV		5HVSQRVH	OLVWHG LQ FROXPQ %		
			30HDVH GHVFULEH		

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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLV SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	70HPH PXOWLSOH	BRWBSLFW 30H 5HVSQRVH	30H OLVWHG LQ FROXPQ % 30HDVH GHVFULEH	KHPH 1BRW
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6XUYH\ 5HVSQRVH :KDW FRQFHUQV GR \RX KDYH DERXW WKLW SURSRV VWDWHPHQWV VR ZH FDQ LGHQWLI\ PXOWLSOH WKHPHV	7KH WKHPH PXOWLSOH	5HVSQRVH	OLVWHG LQ FROXPQ % 3OHDVH GHVFULEH	KHPH 1BW
7KH WKHPH RI DYRLGLQJ KLJK VFKRRO RYHUFURZGLQJ LVQ W SUHVH)UDQNOLQ +LJK 6FKRRO DQG WKH XWLOLJDWLRQ DW &OHYHODQG LV YLUWXDOO\ XQFKDQJHG 7KH SURSRVDO RQO\ KLWV WKH WDUJHW XWLOLJDWLRQ LQ IHZHU VFKRROV QDPHG LQ WKH SURSRVDO WKDQ WKH XWLOLJDWLRQ UHSRUW VD\V ZRXOG DFKLHYH LW LQ LI QR GRQH	8WDO LWDKLSODQ	9RQ	10V VUR	11RQ