SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

Agenda Item# 7.1

Meeting Date:

LCAP Goal(s): Family and Community Engagement; Operational Excellence

Documents Attached:

1. Executive Summary
2. Resolution No. 3177
3. District Note Purchase Agreement
4. Indenture State Aid Intercept Notes

Estimated Time of Presentation:

Board of Education Executive Summary

Business Services

Tax Revenue Anticipation Note (TRAN)

December 10, 2020

I. OVERVIEW /HISTORY:

In order to offset the fiscal impact of COVID-19, the State's 2020-21 Adopted Budget deferred $12.9 billion in aid to school districts, community colleges and offices of education ("LEAs") expected to be paid in 2020-21 to 2021-22. In response to this, California State Treasurer Fiona Ma has created a new Statewide working capital financing program to help LEAs manage the financial impacts of the deferrals. The California School Finance Authority ("CSFA" or the "Authority") was created in 1985 to aid LEAs by providing access to financing for working capital and capital improvements. The goal of the CSFA State Aid Intercept Notes is to provide LEA's with an streamlined and secure process that minimizes the impact of the deferrals on their operations.

The District currently projects that it will experience a cash flow shortfall during fiscal year 2020-21 created by timing differences between its anticipated expenditures and estimated receipt of revenues. The Resolution being presented to the Governing Board authorizes short-term borrowing by the District to address this cash flow shortfall through the issuance of tax and revenue anticipation notes ("TRANs" or "Notes") through the CSFA State Aid Intercept Notes Program.

(a) District Resolution. The resolution authorizes the issuance of the Notes by the District in an amount not-to-exceed Ninety Six Million Dollars ($96,000,000), specifies certain basic terms, parameters and form of the District Notes, and approves the form of the Note Purchase Agreement

Pursuant to the Purchase Agreement, the Authority will agree to buy the District's Note. The conditions of closing the transaction are set forth in this document, including the documentation to be provided at the closing by various parties. Upon the pricing and sale of the TRANs, the final execution copy of the Purchase Agreement will be prepared following this form and the District's Authorized Officer will sign the Confirmation of Pricing.

(c) In the event the District is deemed to be a State Credit Issuer, the Governing Board authorizes the District's Authorized Officer to provide information for a Preliminary Official Statement ("POS").

Certifications shall be classified as positive, qualified or negative. This education code section also outlines the role of the County Office of Education.

- Education Code section 42131(3)(e) directs districts to provide additional reports to the County Office of Education as of June 1st, if a Qualified or Negative Certification is reported as of the Second Interim Report.

II. Goals, Objectives, and Measures:

Follow the timeline, identify all budget reductions and savings, take action to implement such savings as require4 TSeu7s Tw 8.92())5(()5(e)6C BT /CS7u3.04 54 (o9-31u)-4(5c 0.004 Tj -0.004 ne)4

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT
BOARD OF EDUCATION

RESOLUTION NO. 3177

ACTION ITEM
(PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 53635.7)

SACRAMENTO COUNTY, CALIFORNIA

RESOLUTION OF THE GOVERNING BOARD AUTHORIZING DISTRICT PARTICIPATION IN THE CALIFORNIA SCHOOL FINANCE AUTHORITY STATE AID INTERCEPT NOTES (FISCAL YEAR 2020-21 SCHOOL AND COMMUNITY COLLEGE DISTRICT DEFERRALS) THROUGH THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF FISCAL YEAR 2020-

Supervisors of the County (the "Board of Supervisors") to notify the District, within 45 calendar days following its receipt of a certified copy of this Resolution, that the District may issue the

form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Note Purchase Agreement"), between the District and the Authority, and dated as of the date of the Confirmation of Pricing, applicable to the sale of one or more series of the District's Notes of such Series to be sold simultaneously, a form of which has been submitted to the Board; and

WHEREAS, the Authority will form one or more pools of notes (the "Pooled Authority Notes") of each participating Issuer pursuant to the advice of the Underwriters and the Municipal Advisor, and assign each respective series of notes to a particular pool (the "Pool") and sell a Series of Authority Notes secured by each Pool pursuant to the Indenture, each Series of Pooled Authority Notes distinguished by (i) whether or what type of credit secures such Series of Pooled Authority Notes, (ii) the principal amounts or portions of principal amounts of the notes of such respective series assigned to the Pool, or (iii) other factors, and the District hereby acknowledges and approves the discretion of the Authority, acting upon the advice of the Underwriters and the Municipal Advisor, to assign the District Notes of such respective Series to such Pool and such Indenture as the Authority may determine; and

WHEREAS, it is necessary to engage the services of certain professionals to assist the District in its participation in the CSFA Program;

NOW, THEREFORE, BE IT RESOLVED that the Sacramento City Unified School District Board of Education hereby finds, determines, declares and resolves as follows:

Section 1. Recitals. All the above recitals are true and correct and this Board so finds and determines.

Section 2. TRANs Issuance.

(A) Initial Series of TRANs. The Board hereby determines to borrow, and hereby requests the Board of Supervisors to authorize the District to borrow on its own behalf, in anticipation of the receipt by or accrual to the District during Fiscal Year 2020-21 of taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for such fiscal year for the general fund, including Deferral Amounts, and, if so indicated in the applicable Confirmation of Pricing, any other fund indicated in such Confirmation of Pricing, and not pursuant to any common plan of financing of the District, by the issuance under the Act, of Notes, designated generally as the District's "Tax and Revenue Anticipation Notes, 2020-21 Series __" in one or more Series, on a tax-exempt or taxable basis. The issuance of such Notes shall be in order of priority of payment described

Deferral Amount based on the first principal apportionment (the "Estimated June Deferral Amount") will be deposited in escrow with the Trustee (the "Escrow Account") until the June Deferral Amount is provided to the Authority, following which time, (i) if the Final June Deferral Amount is equal to or greater than the Estimated June Deferral Amount, the amount in escrow equal to the Estimated June Deferral Amount, taking into consideration investment earnings thereon, will be released to the District for deposit into its general fund; or (ii) if the Final June Deferral Amount is less than the Estimated June Deferral Amount, an amount equal to the difference between the Final June Deferral Amount and the Estimated June Deferral Amount will be transferred to the Payment Account of the District, taking into consideration investment earnings thereon, and the remainder will be released to the District for deposit into its general fund. The District will be a "State-Credit Issuer" if repayment of its Series A District Notes are made solely from the Deferral Amounts and the Intercept by the Controller as described herein.

(B) Terms of Series of Notes. The Notes of each Series shall be issued in the form of one registered note in the principal amount thereof as set forth in the Confirmation of Pricing and all such principal amounts aggregating to the principal amount set forth in the Confirmation of Pricings, in each case, to bear a Series designation, to be dated the date of its delivery to the initial purchaser thereof, to mature (without option of prior redemption) not more than thirteen (13) months thereafter on a date indicated on the face thereof and determined in the Confirmation of Pricing applicable to such Series (the "Maturity Date"), and to bear interest, payable at maturity (and, if the maturity is longer than twelve (12) months, an additional interest payment shall be payable within twelve (12) months of the issue date, as determined in the Confirmation of Pricing) and computed upon the basis of a 360-day year consisting of twelve 30-day months, at a rate not to exceed twelve percent (12%) per annum as determined in the Confirmation of Pricing applicable to the Notes of such Series and indicated on the face of such Notes (collectively, the "Note Rate").

If Notes of a Series or the Pooled Authority Notes issued in connection therewith are not fully paid at their Maturity Date, the unpaid portion thereof shall be deemed outstanding and shall continue to bear interest thereafter at the Default Rate (as defined in the Indenture) until paid. In such case, the obligation of the District with respect to such Defaulted Note or unpaid Notes of a Series shall not be a debt or liability of the District prohibited by Article XVI, Section 18 of the California Constitution, and the District shall not be liable thereon except to the extent of the income and revenue provided for Fiscal Year 2019-2020 within the meaning of Article XVI, Section 18 of the California Constitution, as provided in the section hereinafter set forth "Source of Payment".

Both the principal of and interest on the Notes of each Series shall be payable in lawful money of the United States of America, but only upon surrender thereof, at the corporate trust office of the Trustee in San Francisco, California, or as otherwise indicated in the Indenture. The aggregate Principal Amount may, prior to the issuance of any Series, be reduced from the aggregate Principal Amount specified above, at the discretion of the Underwriters upon consultation with the Authorized Officer or, if and to the extent necessary to obtain an approving legal opinion of Norton Rose Fulbright US LLP ("Bond Counsel") as to the legality thereof or, if applicable, the exclusion from gross income for federal tax purposes of interest thereon.

In the event the Board of Supervisors of the County authorizes the issuance of the Notes by the District on its own behalf, as provided in Section 53853(b) of the Act, following receipt of this Resolution, this Board hereby authorizes issuance of such Notes, in the District's name, in one

Authorized Officer may approve said interest rate or rates and price by execution of the Note Purchase Agreement and/or the Confirmation of Pricing.

Section 5. Issuance of Additional District Notes. The District (or the County on behalf of the District, as applicable) may at any time issue pursuant to this Resolution, one or more Additional District Notes, subject in each case to the following specific conditions, which are hereby made conditions precedent to the issuance of any such Additional District Notes:

(A) The District shall not have issued any TRANs relating to the Fiscal Year 2020-21 except (i) in connection with the CSFA Program under this Resolution, or (ii) notes secured by a pledge of its Unrestricted Revenues (as defined herein) that are subordinate in all respects to the pledge of its Unrestricted Revenues hereunder; and (iii) the District shall be in compliance with all agreements and covenants contained herein; and (iv) no Event of Default shall have occurred and be continuing with respect to any such outstanding previously issued notes or Series of Notes.

(B) The aggregate Principal Amount of Notes issued and at any time outstanding hereunder shall not exceed any limit imposed by law, by this Resolution or by any resolution of the Board amending or supplementing this Resolution (each, a "Supplemental Resolution"). Additional District Notes issued hereunder shall only be issued for the purpose of participating in the CSFA Program through another Series of Notes.

(C) If the Additional District Notes are secured by the Deferral Amounts, such Additional District Notes shall be limited to the remaining Deferral Al (e)4 h2 (e)4 (s)-1 ( )3 (e(n)2 (. Tw

Notes; (v) an executed counterpart or duly authenticated copy of the applicable Note Purchase Agreement; (vi) a Confirmation of Pricing relating to the Additional District Notes duly executed by an Authorized Officer (as defined herein); (vii) the Additional District Notes duly executed by the applicable representatives of the District or the County, as provided herein, either in connection with the initial issuance of the Series A District Notes or in connection with any Supplemental Resolution increasing the maximum Principal Amount; and (viii) if the Additional District Notes are to be payable on parity with the District's outstanding Notes, evidence or confirmation that no rating then in effect with respect to any outstanding Notes, series of notes or bonds, as applicable, from a Rating Agency will be withdrawn, reduced, or suspended solely as a result of the issuance of such Additional District Notes.

Section 6. Program Approval. The District hereby delegates to the Authority the authority to determine the structure and parameters of the CSFA Program, with the Authorized

the execution of a Confirmation of Pricing, any event occurs as a result of which the information contained in the Preliminary Official Statement relating to the District might include an untrue statement of a material fact or omit to state any material fact nece

Notes, net of the District's share of the costs of issuance, shall be deposited in the District's Pr

(B) For District Notes issued in calendar year 2021 and allocated by the Authority to a

(E) The term "Tax-Exempt" shall mean, with respect to a Series of Authority Notes, that the interest to be paid on such Series of Authority Notes is intended to be excluded from the gross income of the holders thereof for federal income tax purposes.

Section 11. Source of Payment.

(A) Pledge. The term "Unrestricted Revenues" shall mean the taxes, income, revenue (including, but not limited to, revenue from the state and federal governments), cash receipts and other moneys provided for Fiscal Year 2021-22 which will be received by or will accrue to the District during such fiscal year for the general fund, including the Deferral Amounts, and, if so indicated in a Confirmation of Pricing, capital fund and/or special revenue fund (or similarly named fund or funds as indicated in such Confirmation of Pricing) of the District and which are lawfully available for the payment of current expenses and other obligations of the District. As security for the payment of the principal of and interest on all Series of Notes issued hereunder, subject to the payment priority provisions set forth herein and this Section, the District hereby pledges the revenues described below to be received by the District in the periods specified in each Confirmation of Pricing as Repayment Periods (each individual period a "Repayment Period" and collectively the "Repayment Periods"), in an amount equal to the percentages of the principal and interest due with respect to each Series of Notes at maturity for the corresponding Repayment Period specified in such Confirmation of Pricing (the "Pledged Revenues"):

(1) As a State Credit Issuer, the District hereby pledges its Deferral Amounts.

(2) If an Authorized Officer of the District later determines that the District is not a State Credit Issuer, as indicated in its Confirmation of Pricing, the District hereby pledges the first Unrestricted Revenues to be received by the District.

(B) General Obligation. As provided in Section 53857 of the Act, notwithstanding the provisions of Section 53856 of the Act and of subsection (C) below of this Section, all Series of Notes issued hereunder shall be general obligations of the District and, in the event that on the tenth Business Day (as defined in the Indenture) of each such Repayment Period (or such other day of each Repayment Period designated in the Confirmation of Pricing) the District has not received sufficient Deferral Amounts, or Unrestricted Revenues, as applicable, to permit the deposit into each Payment Account of the full amount of Pledged Revenues to be deposited therein from said Deferral Amounts or Unrestricted Revenues, respectively, in such Repayment Period, then the amount of any deficiency shall be satisfied and made up from any other moneys of the District lawfully available for the payment of the principal of all Series of Notes and the interest thereon, as and when such other moneys are received or are otherwise legally available, in the following order of priority: first, to satisfy pro rata any deficiencies attributable to any Series of Senior Notes; second, to satisfy pro rata any deficiencies attributable to any Series of Subordinate Notes (except for any Series of Subordinate Notes described in the next clause); and thereafter, to satisfy any deficiencies attributable to any other Series of Subordinate Notes that shall have been further subordinated to previously issued Series of Subordinate Notes in the applicable Confirmation of Pricing, in such order of priority. "Senior Notes" means the District's Series A District Notes and any Additional Series of Senior Notes.

(C) Lien and Charge. As provided in Section 53856 of the Act, all Series of Notes

Controller to intercept Pledged Revenues from moneys designated for apportionment to the District for fiscal year 2020-21 ("Funds Subject to Intercept"), and to transfer such amounts to the Trustee for deposit into the Payment Account with a designation to the Trustee of the amounts to be credited for the District. Upon such deposit, such funds will not be available to the District. The District shall provide, or cause to be provided on its behalf, a notice to the State Controller accompanied by a schedule setting forth the dates and amounts of intercepts, together with instructions to whom such funds shall be wired, substantially in the form attached hereto as Exhibit B, and by reference incorporated herein, the blanks in said form to be filled in with appropri13 ( )]TJ 0.21 Tw78-2 (a)4 (nt)-1ncr]TJ 0.2-tgnincr(")(he)4 (bl)-2n

determination of the Repayment Periods and percentages of the principal and interest due with respect to each Series of District Notes at maturity required to be on deposit in the related Payment Account in each Repayment Period, all as specified in the Confirmation of Pricing, by executing and delivering the Confirmation of Pricing, such execution and delivery to be conclusive evidence of approval by this Board and such Authorized Officer.

(G) Application of Moneys in Payment Accounts. On any interest payment date (if different from the Maturity Date) and on the Maturity Date of a Series of Notes, moneys in the Payment Account attributed to such Series of Notes shall be transferred by the Trustee, to the extent necessary, to pay, in the case of an interest payment date, the interest, and in the case of the Maturity Date, the principal of and interest with respect to such Series of Notes, subject to the payment priority r4 (c)4 (t (r)5 (4 (c)4 (2 -0 0 12/c)4 (i)-2 (pa)4(eces)-5 (s)4 (t)-)3 (a)4 (pprb-1 (on)-12

as applicable, shall execute and the Trustee shall authenticate and deliver, in the name of the designated transferee, a fully registered Note of the same Series. For any transfer of a Note of a Series, the District, the County or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to the transfer, which sum or sums shall be paid by the person requesting such transfer as a condition precedent to the exercise of the privilege of making such transfer.

In the event that the Authorized Officer shall elect to issue the District's Notes within the CSFA Program, such Notes shall be deposited with the Trustee and maintained in trust until their scheduled maturity and payment in full. The District Notes shall not be transferable or assignable by the Trustee while the associated Pooled Authority Notes are outstanding. Notwithstanding the foregoing, in the event that the District Notes should be lost, stolen, destroyed or mutilated prior to their stated maturity, the District shall cause to be issued a new District Note or Notes of the same tenor, term and maturity as the original to replace the same upon such reasonable terms and conditions, including the payment of costs and the posting of a surety bond, as may from time to time be determined and prescribed by the Authorized Officer in consultation with the Authority.

(A) Subject to Section 7 hereof, the County, the District, the Trustee and their respective successors may deem and treat the person in whose name a Note of a Series is registered as the absolute owner thereof for all purposes, and the County, the District and the Trustee and their respective successors shall not be affected by any notice to the contrary, and payment of or on account of the principal of such Note shall be made only to or upon the order of the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

(B) Any Note of a Series may, in accordance with its terms, be transferred upon the books required to be kept by the Trustee, pursuant to the provisions hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Note for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in form approved by the Trustee.

(C) The Trustee or the Authorized Officer of the District, acting separately or together, are authorized to sign any letter or letters of representations which may be required in connection with the delivery of any Series of Pooled Authority Notes to which such Series of District Note is assigned, if such Series of Pooled Authority Notes are delivered in book-entry form.

(D) The Trustee will keep or cause to be kept, at its principal corporate trust office, sufficient books for the registration and transfer of each Note of a Series issued, which shall be open to inspection by the County and the District during regular business hours. Upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such books, the Notes of a Series presented as hereinbefore provided.

(E) If any Note of a Series shall become mutilated, the County or the District, as applicable, at the expense of the registered owner of such Note of a Series, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor, series and number in exchange and substitution for the Note so mutilated, but only upon surrender to the Trustee of the

Note so mutilated. Every mutilated Note so surrendered to the Trustee shall be cancelled by it and delivered to, or upon the order of, the County or the District, as applicable. If any Note of a Series shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the County, the District and the Trustee and, if such evidence be satisfactory to them and indemnity satisfactory to them shall be given, the County or the District, as applicable, at the expense of the registered owner, shall execute, and the Trustee shall thereupon authenticate and deliver a new Note of like tenor, series and number in lieu of and in substitution for the Note so lost, destroyed or stolen (or if any such Note of a Series shall have matured (as of the latest maturity date indicated on the face thereof) or shall be about to mature (as of the latest maturity date indicated on the face thereof), instead of issuing a substitute Note, the Trustee may pay the same without surrender thereof). The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Note issued pursit mi i(e)4 (,(e)4 (,(e)4)-10 (a)4 ( )-1-2 (e)4 (u of6wTd [(N)2 (o)4 (m)-s)-1

administrative regulation, court decree, resolution, charter, law or other agreement to which the District is subject or by which it is bound.

(D) Except as may be required under blue sky or other securities law of any state or Section 3(a)(2) of the Securities Act of 1933, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the District required for the issuance and sale of each Series of Notes or the consummation by the District of the other transactions contemplated by this Resolution except those the District shall obtain or perform prior to or upon the issuance of each Series of Notes.

(E) The District has (or will have prior to the issuance of the first Series of Notes) duly and properly adopted a budget for Fiscal Year 2020-21 setting forth expected revenues and expenditures and has (or will have prior to the issuance of the first Series of Notes) complied with all statutory and regulatory requirements with respect to the adoption of such budget. The District hereby covenants that it will (i) duly and properly prepare and adopt its revised or final budget for Fiscal Year 2020-21, (ii) provide to the Authority, the Trustee, the Underwriters and the Municipal Advisor, promptly upon adoption, copies of such revised or final budget and of any subsequent revisions, modifications or amendments thereto and (iii) comply with all applicable law pertaining to its budget.

(F) [FOR TRADITIONAL TRANS NON-STATE CREDIT ISSUERS][The County has experienced an ad valorem property tax collection rate of not less than eighty-five percent (85%) of the average aggregate amount of ad valorem property taxes levied within the District in each of the five fiscal years from Fiscal Year 2014-15 through Fiscal Year 2018-19, and the District, as of the date of adoption of this Resolution and on the date of issuance of each Series of Notes, reasonably expects the County to have collected and to collect at least eighty-five percent (85%) of such amount for Fiscal Years [ro38002 Tc[(c)6 (o[c 03.89 6 (t in)2 (4TJ -0.004 T5.174 Tw -'T

enjoin the execution, delivery or performance by the District of any of the foregoing, or wherein

(N) So long as any Series of Pooled Authority Notes executed or issued in connection with a Series of District Notes are Outstanding, the District will not create or suffer to be created any pledge of or lien on such Series of District Notes other than the pledge and lien of the Indenture.

(O) As of the date of adoption of this Resolution, based on the most recent report prepared by the Superintendent of Public Instruction of the State of California, the District has disclosed in writing to the Underwriters, that it has a negative certification applicable to the fiscal year ending June 30, 2020 ("Fiscal Year 2019-20") and will disclose in writing to the Underwriters any negative or qualified certification applicable to the fiscal year ending June 30, 2021 ("Fiscal Year 2020-21") (within the meaning of Section 42133 of the California Education Code). The District covenants that it will immediately deliver a written notice to the Authority, the Underwriters, the Municipal Advisor, and Bond Counsel if it files with the County Superintendent of Schools, the County Board of Education or the State Superintendent of Public Instruction or receives from the County Superintendent of Schools or the State Superintendent of Public Instruction a qualified or negative certification applicable to Fiscal Year 2019-2020 or Fiscal Year 2020-21 prior to the respective Closing Date referenced in each Confirmation of Pricing or the Maturity Date of each Series of Notes.

(P) The District will maintain a positive general fund balance in Fiscal Year 2020.

(Q) The District will maintain an investment policy consistent with the policy set forth above.

(R) The District covenants that it will

rebate consultant, segregate and set aside from lawfully available sources the amount such calculations may indicate may be required to be paid to the United States Treasury, and shall otherwise at all times do and perform all acts and things necessary and within its power and authority, includin

District based on the District's cash flows. The District agrees to pay or reimburse CSFA for such allocable share of CSFA's arbitrage rebate liability and CSFA's expense associated with the calculation of arbitrage rebate liability.

(G) The covenants contained in this Section shall survive the payment of all Series of the Notes.

Section 17. Events of Default and Remedies.

If any of the following events occurs, it is hereby defined as and declared to be and to const (F)2 (A)-2 dutmm

(G)

tA ti ao be t Di Dii3-2 (e)4 ( )-1d r TD oaieis oed tsd teb 1of aon 17. he trTe16o sde16oe420 (1)-1

(2) Take whatever other action at law or in equity (except for acceleration of

Notwithstanding any other provision of this Resolution, the terms of this Section shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any Series of Senior Notes is rescinded, annulled or must otherwise be returned by any holder of Series of Senior Notes or such holder's representative, upon the insolvency, bankruptcy or reorganization of the District or otherwise, all as though such payment has not been made.

The terms of this Section, the subordination effected hereby and the rights of the holders of the Series of Senior Notes shall not be affected by any (a) amendment of or addition or supplement to any Series of Senior Notes or any instrument or agna)

c. Unscheduled draws on credit enhancements reflecting financial difficulties;

d. Substitution of credit or liquidity providers, or their failure to perform;

e.

(2) The undertaking, as amended or taking into account such waiver, would in the opinion of nationally recognized bond counsel, have co

EXHIBIT A
FORM OF NOTE

R-1 $_____

SACRAMENTO CITY UNIFIED SCHOOL DISTRICT

COUNTY OF SACRAMENTO, CALIFORNIA

2020-2021 TAX AND REVENUE ANTICIPATION NOTE SERIES __

Date of
Original Issue

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE

SERIES PRINCIPAL AMOUNT: _____ DOLLARS

Interest Rate	Maturity Date
___%	_____, 2021

First Repayment Period	Second Repayment Period	Third Repayment Period	Fourth Repayment Period	Fifth Repayment Period
[__% of total] [$_____] [principal][interest]	[__% of total] [$_____] [principal][interest]	[__% of total] [$_____] [principal][interest]	[__% of total] [$_____] [principal][interest]	[__% of total] [$_____] [principal][interest]
[principal and interest] due at maturity	[principal and interest] due at maturity	[principal and interest] due at maturity	[principal and interest] due at maturity	[principal and interest] due at maturity

FOR VALUE RECEIVED, the District/County Office of Education designated above (the "District"), located in the County designated above (the "County"), acknowledges itself indebted to and promises to pay on the maturity date specified above to the registered owner identified above, or registered assigns, the principal amount specified above, together with interest thereon from the date hereof until the principal amount shall have been paid, payable [on _____ 1, 20 and] on the maturity date specified above in lawful money of the United States of America, at the rate of interest specified above (the "Note Rate"). Principal of and interest on this Note are payable in such currency of the United States as at the time of (ee)4 (d pr)3 (om)-")nre Un Stered-2 (og)1

This Note is transferable, as provided by the Resolution, only upon the books of the District kept at the office of the Trustee, by the registered owner hereof in person or by its duly authorized attorney, upon surrender of this Note for transfer at the office of the Trustee, duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Trustee duly executed by the registered owner hereof or its duly authorized attorney, and upon payment of any tax, fee or other governmental charge required to be paid with respect to such transfer, a fully registered Note will be issued to the designated transferee or transferees.

The [County, the] District and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes, and [the County,] the District and the

or amount of the Participant's Deferral Amounts (as defined in the MOU) during any Repayment Period.

3. The Participant hereby represents and certifies that all of the payments described in Schedule I hereto, summarized as the Total Intercept, are being made in support of the Participant's working capital loan from the Authority, evidenced by its District Notes, in accordance with Section 17199.4(a) of the Education Code, that the amount stated as the Total Intercept is not in excess of the actual payment obligations due under the District Notes, and that it is not submitting this notice for the purpose of accelerating the Participant's receipt of apportionments under Section 42238.02 of the Education Code, as required under Section 17199.4(d) of the Education Code. These representations and certifications extend to the terms of any revised Schedule I provided to the Controller under Section 2 hereof.

4. Transfers pursuant to Section 1 above shall be paid by wire transfer of immediately available funds to:

Bank: U.S. Bank, N.A.
ABA#: 091000022
FBO: U.S. Bank Trust National Association
Account #: 180121167365
Reference: CSFA 2022021 TRANS

[Remainder of page intentionally left blank]

District: Sacramento City Unified School District

Address: 5735 47th Avenue
Sacramento, CA 95824

County: Sacramento

Executed and entered into on the Date set forth on Page 1 of the District's "NOTICE TO THE STATE CONTROLLER PURSUANT TO EDUCATION CODE SECTION 17199.4" attached hereto and incorporated herein.

Sacramento City Unified School District

By: _____
Name: Rose Ramos
Title: Chief Business Officer

[Signature Page to Intercept Notice]

[Notice to the State Controller Pursuant to Education Code Section 17199.4]

Schedule I

Intercept Payment Amounts and Repayment Periods

Repayment Periods	Payment Amounts

Total

EXHIBIT B

(Continued)

EFT FORM

STATE OF CALIFORNIA

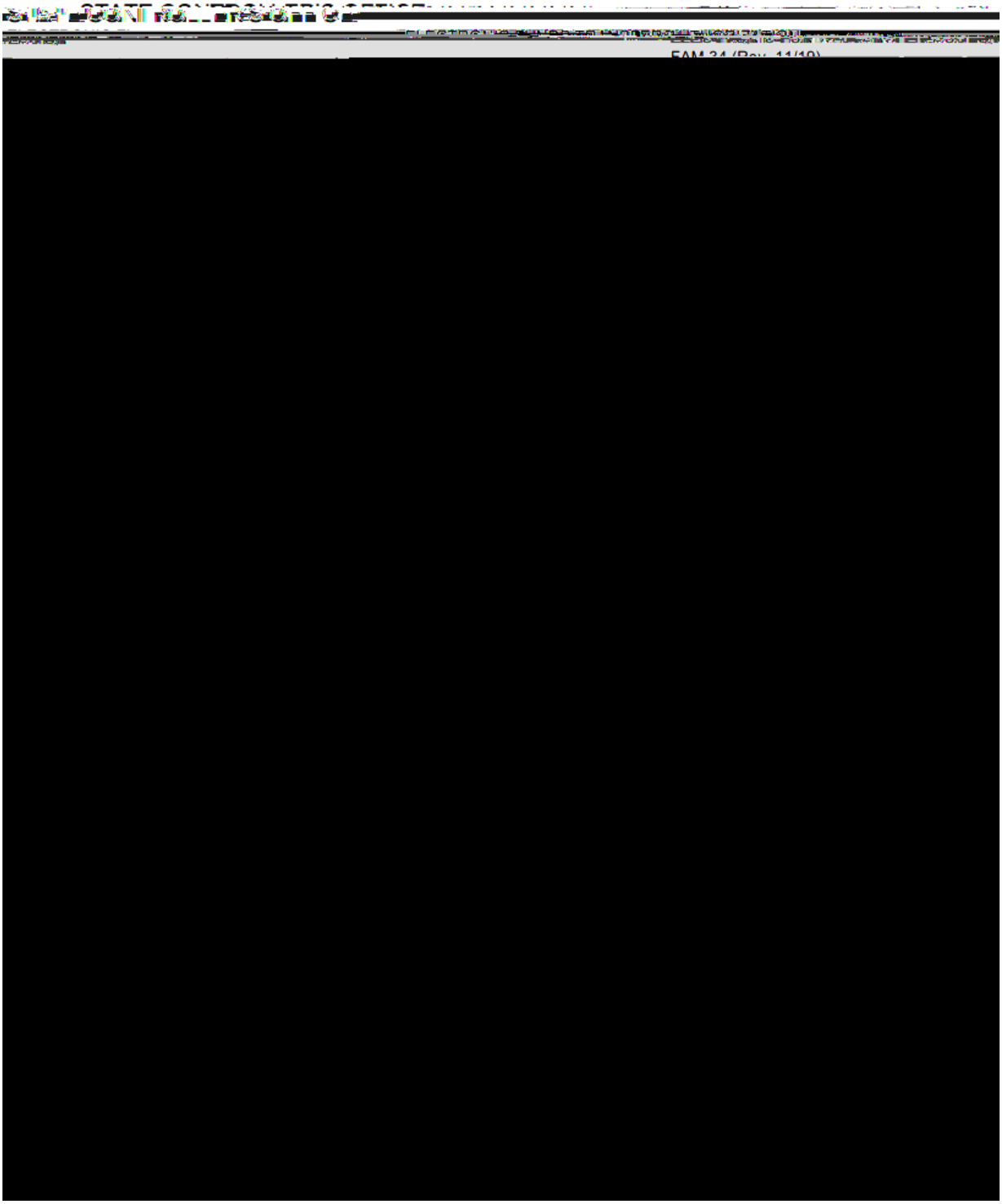


EXHIBIT C

DISTRICT INFORMATION TO BE PROVIDED FOR

PRELIMINARY OFFICIAL STATEMENT

*In the event the District is determined to be a Non-State Credit Issuer, or if the District has District Senior Existing Indebtedness, the District may be asked to provide the following information for inclusion with the form of Preliminary Official Statement:

- x Name of District
- x Location by city or cities and county
- x Number and type of schools operated
- x Current approximate ADA/FTES
- x Chart of Second Period ADA or FTES during the current (estimated) and past four years
- x Statement as to Positive, Qualified or Negative Certificate from County Office of Education (K-12s only)
- x Names and numbers of members of each bargaining unit and status regarding term of current contract or negotiations
- x General Fund balance sheets, with audited numbers for Fiscal Years 2017-18, unaudited (or audited, if available) for 2018-19 and budgeted numbers for Fiscal Year 2019-20
- x Other Post-Employment Benefits (OPEB): describe premiums paid for retirees, eligibility for retirement among employee groups, and total number of retirees currently receiving OPEB.
- x Chart of outstanding long-term debt as of June 30, 2020 (or most current available)
- x Sources of alternate liquidity
- x Cash Flows for 2019-20 and projections for 2020-21

RESOLUTION CERTIFICATE

I, Jorge A. Aguilar, J.D., Superintendent and Secretary of the Board of Education of Sacramento City Unified School District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Governing Board of the Sacramento City Unified School District duly and regularly held at the regular meeting place thereof on the 16th day of December, 2020, of which meeting all of the members of said Governing Board had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

Jessie Ryan:	_____	Aye	_____	No	_____	Abstain	_____	Absent
Christina Pritchett:	_____	Aye	_____	No	_____	Abstain	_____	Absent
Michael Minnick:	_____	Aye	_____	No	_____	Abstain	_____	Absent
Lisa Murawski:	_____	Aye	_____	No	_____	Abstain	_____	Absent
			_____	No	_____	Abstain	_____	Absent
Darrel Woo:	_____	Aye	_____	No	_____	Abstain	_____	Absent

An agenda of said meeting was posted at least 72 hours before said meeting at 5735 47th Avenue, resolution adopted at said meeting and entered in said minutes; and said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect. The Maximum Amount of Borrowing specified in the foregoing resolution is $96,000,000.

Dated: December 16, 2020

_____

Jorge A. Aguilar, J.D.
Superintendent and Secretary of the Board of Education of Sacramento City Unified School District

IN WITNESS WHEREOF, the governing board of the District has caused this Note to be executed by the manual or facsimile signature of a duly authorized officer of the District and countersigned by the manual or facsimile signature of its duly authorized officer as of the date of authentication set forth below.

Sacramento City Unified School District

By_____
Name: Jessie Ryan
Title: President of the Board of Education

Countersigned

By_____
Jorge A. Aguilar, J.D.
Title: Superintendent and Secretary of the Board of Education

The following named persons are duly elected (or appointed), qualified and acting officers of the District presently holding the offices set forth opposite their respective names below and by execution hereof each certifies that the signatures of the other officers hereto are the genuine signatures of such officers (signatures of the officers executing the Note, the other Documents (as defined herein), Tax Certificate and the Secretary's Certificate attached to the Resolution must appear below):

NAME	OFFICE	SIGNATURE
Jessie Ryan	President	
Jorge A. Aguilar, J.D.	Superintendent and Secretary of the Board of Education	
Rose Ramos	Chief Business Officer	

District: Sacramento City Unified School District

Address: 5735 47th Avenue
Sacramento, CA 95824

County: Sacramento

Executed and entered into on the Purchase Date set forth in Schedule I attached hereto and incorporated herein.

Sacramento City Unified School District

By _____
Name: Rose Ramos
Title: Chief Business Officer

FORM OF REQUISITION FROM PROCEEDS ACCOUNT

To: U.S. Bank National Association, as Trustee

From: Sacramento City Unified School District

Dated: March __, 2021

Re: California School Finance Authority State Aid Intercept Notes (Fiscal Year 2020-21 School and Community College District Deferrals), Series ___ (the "Program")

Requisition No. ____

The undersigned, on behalf of the Sacramento City 2(e) -20.79 -2.15 Td [Sha(F)6(i

5. The information contained herein is true and correct as of the date of this Requisition.

6. The representations of the Participant set forth in Section 15 of the Resolution of the Participant, providing for the borrowing of funds for Fiscal Year 2020-21 and the issuance and

',675,&7 127(385&+$6($*5((0(17

7KLV 1RWH 3XUFKDVH $JUHHPHQW WKH ³3XUFKDVH $JU
WKH ³3XUFKDVH 'DWH´ VSHFLILHG LQ ([KLELW $ DWWDFKHG
6FKHGXOH , ³([KLELW $´ HQWHUHG LQWR EL JDQG RU\WZFKH
FRPPXQLW\ FROOHJH GLVWULFW RU DFRXQLQ ([KLELW $ HG
VXEGLYLVLRQ UHVSHFWLYHO\ WKH ³6DDWH´ VHY
MRLQWO\ DQG WKH &DOLIRUQLD 6FKRRO)LQDQFH $XDWKRUL
WKH 'LVWULFW¶V HQXFDSQDWLF 5HDWWKRQ 1RWLHV ZLQG S
GHVLJQDWLRQV VSHFLKHG ³1RW([KLELW WKH SULQFLFHUWD
,VVXHUV DV KHUSDQWLFLSDWLQQHGWHUP
3ULFLQJ DV KHUHDQGDSWRUOHGHIZLQRIGFRWWV
1RWHV DQG VHULHV RI QRWHV RIQRWRUHUP,V
RI QRWHV RI WKH $XWKRUL\ 1RWHVHLQ$XKGEN

:,71(66(7+

:+(5($6 VFKRRO GLVWULFWV GLVWULFWV
DUH DXWKRUL]HG EW 6HFWLRQRWK LQ &DXOLL
WKH ³$FW´ EHLQJ $UWLFOH 7L&KDSWHU
ERUURZ PRQH\ E\ WKH LVVXDQFH RI WHPSR

:+(5($6 WKH JRYHUQLQJ ERDUG RI WKH
DGRSWHG LWV UHDVRXWKLRQVWLQLZLQXQWKG
-XQH ³)LVFDO <HDU ´ RLQ WKH
VHW IRUWK LQ ([KLELW $ WKH ³3UHLQLFLSDO
EH ERUURZHG DW WKLV WLPH E\ WKHVL3VLXQ
RI WKH UHFHLSW E\ RU DFFUXDO WR WKH W
LQFOXGLQJ EXW QRW OLPLWHG WDO JRYHU
RWKHU PRQH\V SURYLGHG URU VXFKHWKQHL

>:+(5($6 RQ WKH DSSOLFDEOH DQG VDSSXO
GDWH LI DSSOLFDEOH VHW IRUWKQLQ ([KF
HVWDEOLVKHG ILVFDO DFFRXQWDELOLW\WV
6XSHUYLVRUV RI WKH &RX([KLELW $ HFWLDGRSW
D UHVROXWLRQ DQG LI DSSOLFDEOH WLDYHO
WKH ³5HVROXWLRQ´ DXWKRUL]LQJLQWKHV
'LVWULFW @

>$/7(51$7,9(3529,6,21)25&7,6,7+),6&$/
67$786@

>:+(5($6 RQ WKH DSSOLFDEOH DQG VDSSXO
GDWH LI DSSOLFDEOH VHW IRUWKHLQ([KL
ILVFDO DFFRXQWDELOLW\ VWDWXV DGRSW
LFDEOH DWXSSUHVPHQXW

F R O O H F W L Y H O \ R U V L Q J X O D U O \ X W D K V R D J $ L Q L F D E K H L W K H Q 3 F H
1 R W H V L Q W K H Q D P H R I W K H ' L V W U L F W @

: + (5 ($ 6 W K H ' L V W U L F W D K D V L G H L W H U P L Q H G E K H V W L V L Q U L H F U
S D U W L F L S D W H L K R W K H) L & D D Q L F R U $ G 2 K R U L W \ H 6 W D W R W $ L V) L V F
6 F K R O D Q G & R P P X Q L W \ & R O O H J H ' 3 Y U R U J U F D P ´ ' H I H K H D
S D U W L F L S D W L Q J V F K R O G L V W U L F W R X Q W R P P X Q L W \ R O G H G X F
3 , V V X H U V ´ Z L O V L P X O W D Q H R X V O \ S U R F L W D [U Q G R U W H Y H Q
E \ W K H $ X W K R U L W \

: + (5 ($ 6 I U R P W L P H W R W L P H X Q G H U W K H R Q H R J U D P R U W K
S R R O V R I Q R W H V W K H 3 R O H G 1 R G H L Q ´ J V H D F K H V R P S Q L R W
S D U W L F L S D W L Q J , V V X H U D Q G D S S O L F D W L R Q V H U Y L F H V R P H U
R Q H R U P R U H 6 H U L H V R I $ X W K R U L W L D 1 R W H V R V H F X , Q G H G E W X
D S S O L F D E O H R Q H R W V P W K H U H X S 3 Q R H D Q W F W H Ý H E H W Z K H Q W
D Q G 8 6 % D Q $ V 1 R F L D W Q D R Q W H K H 3 D Q G V X F K 6 H U L H V R I $ X W K
W R 5 % & & D S L W D O 0 D U N H W V // & D Q G & L W R J U D Q D S J H O R E D O
U H S U H V H Q W D W L Q G V F K I U W K H L R V K W K H X Q G R J U Z D U L W K 3 R Q G H

: + (5 ($ 6 W K H ' L V W U L F W E \ D G R S W L Q J W K H U F K D R O H X W
$ J U H H P H Q W K D V D F N Q R Z O H G J H G D Q G U D S S U R Y 1 H G W K H W E W K
3 R O X Q G H U W K H F Q G L R Q W Z X U K H L Q K H R Q H Q L R W H R G L G Q W Q [R L E L W
Z K L F K D V V L J Q P H Q W K D V E H H Q G H W H P G L Q F U E W L R Q H $ X W K
D G Y L F H R I 0 Q W D J X H ' H 5 R V H $ V V R F K L D W H X Q L F W S D R X G F L S
W K H 8 Q G H U Z U L W H U V

: + (5 ($ 6 D V L Q G L F D W H G D Q P [Q W E E W $ K H 1 K R W S U L E Z O R I Z L
Q R W E H V H F X U H G L Q Z K R O H R U L Q L S D K U F H M R Q L Q O \ H E U L W H
R W K H U S D U W L F L S D W H G L Q J R , W K X H V D Y R D V 6 W U 1 R W X H R M R $ E \ W Q L U R U P R
V X F K 6 H U L H V R I $ X W K R U L W \ 1 R G L W V S E R H O L F J R I H F Q U U H G Q
F U H G L W L Q V W U X P H Q W F R O O H F W L Y H O G W L Q H W & H F G L W H , Q I V D
R U S R O L F \ R I L Q V X U D Q F H E \ W K [K L E L W $ R U H W Q W L F U L H G L G
& U H G L W 3 U R Y L G H U

: + (5 ($ 6 L Q W K H F D V H R L W D F U H S Q Y H X F R Q H F U H G L W K , Q V W U X
Z L O E H L V V X H G S X U V X D Q W W R D R U H E R E R U W H P H Q W O H W W H U H
$ J U H H P H Q W W L D V H G L Q ([K L E L W $

: + (5 ($ 6 L Q R U G H U W R S 3 U R J U D P W K H L Q L W G K W L F W E H K D
U H V S R Q V L E O H I R U L W V V K D U H R I H W K H Q G H V L D Q S G H [S H Q E Y H
G H W H U P L Q D W L R Q R I W K H 8 Q G H U Z H R W W V R I W K V X & L Q H G W K 3 6
$ X W K R U L W \ 1 R W H V I D S S O W F K E H R V D Q J Q X S R Q R H W G K H 8 Q G H
L V V X L Q J W K H & U H G L W , Q V W U X P H Q W D Q G K E R K V D Q W R L F L S V D X D H Q
G H G X F W H G I U R W K H S U F K D V H S U F K Q V D H Q W L R U S W K W L H Q G ([H K
D Q G F R V W V R I L V G X D Q R F W K E H ' O D W E W D E L O Y H

:+(5($6 WKH FRVWV RI LVVXDQFH ZKLFKHZSUOFEHVGHWGIXR
LQ ([KLELW $ IRU WKH 'LVWULFWUVRKIDOO RQRWSEHUPRQW WKDR
3ULQFLSDO $PRXQW RI WKH 1RWHV RUDQEG VLKYDOWKERXFRQG
&RQILUPDWLRQORIFDELFHLQJRDVSXSFK 1RWHV DQG

:+(5($6 SXUVXDQW WR WKH 3URJUDP WKHWSRXSXRUKDVH
WKH 1RWHV SXUVXDQW WR WKLV 3XUFKDVH $JUHHPHQW

12: 7+(5()25(WKH SDUWLHV KHUHWR DJUHH DV IROORZ

6HFWLRQ2EOLJDWLRQ WRSRXUFKDVH WHUPV DQG FRQGLWL

VXSSOHPHQW WR WKH 2IILFLDO 6WDWHPHQW

6HFWLRQ 7KH 1RWHV VKDOO EH LVVXHG LQ UHJLVW

6HFWLRQ 5HSUHVHQWDWLRQV DQG :DUUDQWLHV

D $OO UHSUHVHQWDWLRQV DQG ZDUUDQWLHV DVVHUW

E

VKDOO SD\ DV VHW IRUWK LQ WKH 5HLVRXVDELOHQ DQ\LDGGLW
FRVWV DQG H[SHQVHV VR SD\DEOH IURPWWKH DSSOLFDEOH

6HFWLRQ /LPLWHG /LDELOLW\ KVWDQGLQJ DQ\WKLQJ WR
KHUHLQ RU LQ DQ\ RUVLHQ LHQ RIWKHQWHPHQKHUHLQ RU WKH 1R
RU WR DQ\ 6HULHV RIWSRZKLFKLWKJHQHWHLDWKHUWKH &RX
'LVWULFW VKDOO KDYH DQ\ OLDELOLW\ KHRUHQXHQFWLRQ RUKEUH
WKH WUDQVDFWLRQV FRQWHPSODWHGUKHUHEQ HH\[VHDSYDLWRE
DV VHW IRUWK LQ 5HRWLRQ RIWKH 'LVWULFW

6HFWLRQ &UHGLW $JUHHPHQW 7KHP'LVWULFW KHUHE\ DJUHHV WR
DQG SURSHU UHTXHVWV RI WKH $XWKRULWLW\RLQRPSGHUZLWK
WHUPV FRQGLWLRQV DQG FRYHQDQWV &UHGLW $JUHHPHQ
DSSOLFDEOH WR WKH 1RWHV

6HFWLRQ HIDX,OW DQ\ ³(YHQW RI 'HIDXOW´ XQGHU WKH 5H

6HDWLRQ @ ¤P 78

6HEWLRQ

U3T`p

&$/,)251,$ 6&+22/),1$1&(
$87+25,7<

%_____
([HFXWLYH 'LUHFWRU

$FFHSWHG

86 %$1. 1$7,21$/ $662&,$7,21

%_____
$XWKRUL]HG 2IILFHU

(; + , % , 7 $

(DFK IROORZLQJ SDJH VKDOO EH XGVHHQ EHWLKHQ WLRVWKHF
$JUHHPHQW EHWZHHQ WKH 'LVWULFWV RFWKHVHVHKRROO\GLQWULFW
FROOHJH GLVWULFWV DQG FRXQWUHQRDUGGKRRCH)LXQFDQWLRQX
VKDOO ELQG WKH 'LVWULFW WRKDVO3XRUFWKHHWHJUPHDQGWFR
DGGLWLRQDO WHUPV RLQWKLVGLQKJL6FKHGXOH ,

'LVWULFW 6DFUDPHQWR &LW\ 8QLILHG 6FKRRO 'LVWULFW

$GGUHVV WK $YHQXH
6DFUDPHQWR &$

&RXQW\ 6DFUDPHQWR

([HFXWHG DQG HQWHUHG LQWR RQ WKH 3,XDWWDVFK 'DWK
LQFRUSRUDWHG KHUHLQ

6DFUDPHQWR &LW\ 8QLILHG 6FKRR

%\ _____
1DPH 5RVH 5DPRV
7LWOH &KLHI %XVLQHVV 2IILF

6&+('8/(,

&21),50$7,21 2) 35,&,1*
$33/,&$%/(72 7+(',675,&7 6(5,(6 $ 127(6

6FKRRO 'LVWULFW ,QIRUPDWLRQ

6FKRRO 'LVWULFW 6DFUDPHQWR &LW\ 8QLILHG 6FKR

$GGUHVV WK$YHQXH 6DFUDPHQWR &$

&RXQW\ 6DFUDPHQWR

& ' &RGH . RQO\

-RLQW 6HQLRU 0DQDJHUV 5%& &DSLWDO 0DUNHWV //& DQG
*OREDO 0DUNHWV ,QF

7UXVWHH 8 6 %DQN 1DWLRQDO $VVRFLDWL

7HUPV RI WKH 1RWH

3ULRULW\ RI 1RWH

1RWH 6HULHV 6HQLRU

6HULHV 3ULQFLSDO $PRXQW RI WKH 1RWH

,

3ULFHG WR <LHOG

,QWHUHVW 5DWH 1RWH 5DWH

'HIDXOW 5DWH

0DWXULW\ 'DWH $V VSHFLILHG LQ WKH ,QGHQWXU
BBBBBBBBBB BBB

,QWHUHVW 3D\PHQW 'DWH BBBBBBBBBB BBB

3UHPLXP BBBBBBBBBB

8QGHUZULWHUV¶ 'LVFRXQW BBBBBBBBBB

3XUFKDVH 3ULFH BBBBBBBBBB
3ULQFLSDO 3UHPLXP 8: 'LVFRXQW

&RVWV RI ,VVXDQFH BBBBBBBBBB

'HSRVLW WR 3URFHHGV $FFRXQW 6HULHV $ QHW
RI FRVWV RI LVVXDQFH BBBBBBBBBB

$PRXQW GXH DW 0DWXULW\ 3ULQFLSDO $PRXQW
SOXV LQWHUHVW BBBBBBBBBB

6HULHV RI $XWKRUZLWF1RWHV)LQDQFH $X
EH DVVLJQHG $LG ,QWHUFHSW 1RWHV)LVFDO
6FKRRO DQG &RPPXQLW\&RUHFW
'HIHUUDOV 6HULHV BBB@

3XUFKDVH 'DWH BBBBBBBBBB

&ORVLQJ 'DWH BBBBBBBBBB

$SSURYDO ,QIRUPDWLRQ

'DWH RI 6FKRRO'LVWULFW¶V

'DWH RI 6FKRRO 'LVWULFW¶V
6XSSOHPHQWDO 5HVROXWLRQ

0D[LPXP %RUURZLQJ $PRXQW
DSSURYHG E\ 'LVWULFW BBBBBBBBBB
$PRXQW´

'LVWULFW KDV)LVFDO $FFRXQWDELOLW\
6WDWXV

&RXQW\ DGRSWHG 5HVROXWLRQ BBB QR@

5HSD\PHQW 3HULRG

>3HUFHQWDJH RI BBB@

)LUVW 5HSD\PHQW 3HULRG BBBBBBBBBB 3UHOLPLQDU\ $PRXQW BBB@
WKURXJK DQG LQFOXGLQJ WKHUHRQ GXH DW
BBBBBBBBBB PDWXULW\@

6HFRQG 5HSD\PHQW 3HULRG >3HUFHQWDJH RI BBB@
WKURXJK DQG 3UHOLPLQDU\ $PRXQW BBB@
BBBBBBBBBB LQWHUHVW WKHUHRQ GXH DW
PDWXULW\@

7KLUG 5HSD\PHQW 3HULRG >3HUFHQWDJH RI BBB@
WKURXJK DQG 3UHOLPLQDU\ $PRXQW BBB@
BBBBBBBBBB BBB

LQWHUHVW WKHUHRQ GXH DW
PDWXULW\@

)RXUWK 5HSD\PHQW 3HULRG >3HUFHQWDJH RI BBR@ >BBR@DO 6HU
WKURXJK DQG LQFOXGLQ$PRXQW >DQG
BBBBBBBBBB LQWHUHVW WKHUHRQ GXH DW
PDWXULW\@

)LIWK 5HSD\PHQW 3HULRG >3HUFHQWDJH RI BBR@ >BBR@DO 6HU
WKURXJK DQG LQFOXGLQ$PRXQW >DQG
BBBBBBBBBB LQWHUHVW WKHUHRQ GXH DW
PDWXULW\

3ULRU 1RWHV

3ULRU WD[DQG UHYHQXH DQWLFLSDWLRQ QRWHV IRU ILVFDO\HDU

6HQLRULW\ 6WDWXV RI 3ULRU 1RWHV

&HUWLILFDWLRQV

7KH XQGHUVLJQHGKHUHE\FHUWLILHVWKDW KH RU VKH KDV UHYLHZHG WKH 3XUFKDVH $JUHHPHQW DQG WKH 3UHOLPLQDU\ 2IILFLDO 6WDWHPHQW &RQILUPDWLRQ RI 3ULFLQJ 6XSSOHPHQW WKH &DOLIRUQLD 6FKRRO)LQDQFLQJ $XWKRULW\ DQG WKH

7KH XQGHUVLJQHG KDV EHHQ GXO\ DXWKRUL]HG WR H[HFXWH WKLV &RQILUPDWLRQ RI 3ULFLQJ

7KH VDOH RI WKH 'LVWULFW¶V 1RWHV LV KHUHE\ FRQILUPHG RQ WKH WHUPV DQG FRQGLWLRQV VHW IRUWK LQ WKLV 3ULFLQJ 6XSSOHPHQW

7KH UHSUHVHQWDWLRQV ZDUUDQWLHV DQG FRYHQDQWV RI WKH 'LVWULFW FRQWDLQHG LQ WKH 3XUFKDVH $JUHHPHQW DQG 6HFWLRQ RI WKH 'LVWULFW¶V 5HVROXWLRQ DUH WUXH RQ DQG DV RI WKH GDWH KHUHRI

$V RI WKH GDWH KHUHRI WKH TXDOLILHG FHUWLILFDWLRQ QHJDWLYH UHSRUW ILVFDO \HDU DQG VFKRRO GLVWULFW FHUWLILFDWLRQ 6HFWLRQ RI WKH (GXFDWLRQ &RGH ZLWK UHVSHFW WR WKH 'LVWULFW FRYHQDQW LPPHGLDWHO\ GHOLYHU D ZULWWHQ QRWLFH WR WKH 6XSHULQWHQGHQW RI 6FKRROV DQG WKH 6XSHULQWHQGHQW RI 3XEOLF ,QVWUXFWLRQ LQ WKH FDVH RI D 7UXVWHH 3URYLGHU LI DSSOLFDEOH DQG %RQG &RXQVHO FRYHQDQWV WKDW LW ZLOO LPPHGLDWHO\ QRWLI\ 8QGHUZULWHU &UHGLW 3URYLGHU LI DSSOLFDEOH &RXQW\ 2IILFH RI (GXFDWLRQ WKH &RXQW\ 6XSHULQWHQGHQW RI 6FKRROV WKH &RXQW\ 6XSHULQWHQGHQW UHFHLYHV IURP WKH &RXQW\ 6XSHULQWHQGHQW RI ,QVWUXFWLRQ RI D QHJDWLYH FHUWLILFDWLRQ IRU WKH ILVFDO \HDU RU TXDOLILHG FHUWLILFDWLRQ DSSOLFDEOH WR WKH 1RWHV VHW IRUWK DERYH

$V RI WKH GDWH KHUHRI $ WKH 'LVWULFW LQFOXGLQJ DQ\ WD[H[HPSW OHDVH RU GHEW LQ WKH 'LVWULFW DQG DOO VXERUGLQDWH RI WKH 6HULHV 3ULQFLSDO RI 3ULRU 1RWHV DQG LQWHUHVW WKHUHRQ LV UHDVRQDEO\ H[SHFWHG

@ RQDEO`0 LTEO`0 pW [illegible]

,

7KH 'LVWULFW KDV QRW DRQ ZLOO QRW XSGLFDWD LQFUHDVLQJ WKH VL]H RI WKH 'LVWULFW¶V 1RWHV

,

>)25 121 67$7(&5(',7 ,668(56@ , KDYH UHYLHZHG WKH

>/LVW VLJQDWRXULHVQ¶V 6HFUHWDU\¶V
&HUWLILFDWH 1RWH LI DSSOLFDEOH 3XUF
$JUHHPHQW DQG 'LVWULFW &ORVLQJ &HUWLI

-HVVLH 5\DQ 3UHVLGHQW %RDUG RI (GXFD
-RUJH $ $JXLODUW 6XSHULQWHQGHQW %RDUG RI (G
/LVD $OOHQ 'HSXW\ 6XSHULQWHQGHQW
5RVH 5DPRV &KLHI %XVLQHVV 2IILFHU

,I DQ\ RI WKH IRUHJRLQJ LQGLYLGXDOV LQHRRORLQJHUSOR
RXW WKH QDPH RI VXFK SHUVRQ DQG SRUQ VXFDEHYGHLQJWWRK

$JUHHG DQG DFFHSWHG WR RQ WKH 3XUFKDVH 'DWH VH

6DFUDPHQWRG&LWK8QLILLVWULFW

%_____

1DPH

7LWOH

,

,1'(1785(

E\ DQG EHWZHHQ

8 6%$1. 1$7,21$/ $66&7&,21 $6 75867((

DQG

&$/,)251,$ 6&+22/),1$1&($87+25,7<

'DWHG DV RI 0DUFK

BBBBBBBBBBB

&DOLIRUQLD 6FKRRO)LQDQFH $XWKRULW\

6WDWH $LG ,QWHUFHSW 1RWHV

)LVFDO <HDU 6FKRRO \DQG &RPPUDOW XQLW &RQGRPHUDWULFW 'HIH

6HULHV $

7$%/(2) &217(176

3DJH

$57,&/(, '(),1,7,216 (48$/ 6(&85,7<

6HFWLRQ 'HILQLWLRQV

6HFWLRQ ,QGHQWXUH &RQVWLWXWHVDWLRQRU ,QGHQW
$XWKRULW\ 1RWHV

6HFWLRQ 3OHGJH (IIHFWHG E\ ,QGHQWXUH

$57,&/(,, &21',7,216 $1' 7(506 2) $87+25,7< 127(6

6HFWLRQ ,QLWLDO ,$XXDRFHW\ 1RWHV

6HFWLRQ 'HQRPLQDWLRQV HWHGLXPDQG 3DFH RI 3D\PH
DQG 'DWLQJ RI $XWKRULW\ 1RWHV

6HFWLRQ 8VH RI 0RQH\ LQ WKH &RVWV RI ,VVXDQFH)XQ
3D\PHQW)XQG DQG (VFURZ)XQG

$57,&/(,9 75867((¶6 58*$(56,1* ',675,&7 127(6

6HFWLRQ $XWKHQWLFDWLQJ $JHQW

6HFWLRQ 5HJLVWUDU DQG 3D\LQJ $JHQW

6HFWLRQ &DQFHOODWLRQ RI 3DL1RWHV

$57,&/(9 ',675,&7 31$2<70((176 $1' ,17(5&(37 <0(176 $1' ,17(5&(3

L L L

$57,&/(;, '()($6$1&(

6HFWLRQ

,1'(1785(

7KLV ,QGHQWXUH WKH ³,QGHQWXUH´ DQGGDWHG WKLV ZDV HQWHUHG &$/,)251,$ 6&+22/1)&1((87+25,7< $WWKH &RUDV\SXEOLF LQVWUXP RI WKH 6WDWH RI &DOLIRUQLD FQDHQWHG SXEVXDQWWR KLHW&DSWHUWR UH &KDSWHU FRPPHQFLQJ ZLWK 6HFWLRQ HWVHT RI 7LWOH RI WKH &RGH RI WKH 6WDWH RI&6)&DSWLRQHG 8 6WK1$7,21$/ $662&,$7,21 D QDWLRQDOO\ UHFRJQL]HG GHJUHH RI WKH ODZV RI WKH $PHULFDQ 6WDWHV WKH ³

:,71(66(7+

:+(5($6 6HFWLRQ RI WKH *RYHUQPHQW &RGH R &DOLIRUQLD SURYLGHV WKDW WD[DQG7UHVHUYHHDUH EHQHILFLDO E\ D VFKRRO GLVWULFWHVWDEOLVKHG RU PDLQWDLQHG E\ D FRXQW RI 6HFWLRQ WKHE\FRM DQG

:+(5($6 WKH $XWKRULW\ QDVF WR LJWSVXFK RQZHULW ODZV RI WKH 6WDWH RQG RI WKH GLVWULFWV FRPPXQLW\ FROOHJHGLVWULFWV ZLWK VXFK RWKHUFRPFKXRQLWG LFWVRDQGGHJUHHV RI H PD\ EH LGHQWLILHG LQ D 6XSS3DUWQHUVDQGQDWLDSQG QFGRHQDWXHL Y HH ³3DUWLFLSDQWV WHG ZLWKLQ WKH 6WDWH EURUFRZQLQHJFQWHLRG VZ

:+(5($6 WKH 3DUWLFLSDQWV RUHDGXUEQJWKHH)LVFDO <HDU KHUHLQ GHILQHG QHSHG >WRRU EWRDU[DREZHP®QHDWH RUGHU WR PHHW WKHLU UHVSHFW6WHWFLDRQOHHZ WQKHHG$VW DQG

:+(5($6 WKH $FW SKUHRYLHGVHSHFWKDYH M&DOQIZKQFLD WR 3DUWLFLSDQWV D&RXQRWE\QGHFRODHKRXDQ WRFRQWLHVTXHQVEWLKQ J VF UHYHQXH DQWLFLSDWHDQQQWLFVDWRULRQ DQGRWLHDQR\WHUVTXHQVEWLKQ J VF FRPPXQLW\ FROOHXGGLVWULFWV RRHUEHLXFDWLRQHOVPHFWLYH WKH VDWLVIDFWLQRQWR RHMUDQGL QXEMHFWKHVRF6WHFDQGR

:+(5($6 WKH %RDUG RI 6XSHUYLVRUV WKHUDFK RDLWO RU GHFOLQHG WR DXWKRUL]H WKH LLPHVXSHQFHRGRIVWKFHL7L5H6HFWLRQ RI WKH $FW RU LLYRHW3KHUWZLFHSDQWVLWHKGW VHULHV RI 75$1V PD\ EH LVVXHG EDVHWKLHQ3FDRQWQLFFLWSDRQWZRLWK

:+(5($6 WKH $XWKRULW\ KDV HVWDEOLVKHG D SU
ZKLFK LW ZLOO HVVXH DIHR RUPRUGV DSSW\ WKH SURFHHGV IUI
WKH QRWHV WR VLPXOWDQHRXVO\ SXUFKDVH IURP WKH 3DU

[3] $GGLWLRQDO $XWKRULW\ 1RWHV &HVLIRUQLD 6FKRRO)LQD
,QWHUFHSW 1RWHV)LVFDO <HDU JH '6VWRUEWDQHGH&RUPDO
WKDQ WKH 6HULHV $ $XWKRULW\ 1RW2HXW VDWXDWQKGRLUQLJ]HSGXUEVXD
,QGHQWXUH DQG D 6XSSOHPHQWDOG ,QGHQWXUHG DUQRGP HW[HPH
FRQQHFWLRQ ZLWKDQ3RRZOWLQ 6HFWLRQ KHUHRI

[3] $GGLWLRQDO &UHGLWDQ$JUWKHPHQW RU FRPPL

WR WKH $XWKRULW\ DQ LQVWUXPHQW $XWKRULWLQJ \LWJQ&G
7UHDVXUHU RU ([HFXWLYH 'LUHFWRUQRUWHRGWKHRU DSFHWUVRQQED
$XWKRULW\ E\ ZHLWWQHQVKHGWLRLWDXH 7UXVWHH

³&KDQJH LQ 6WDWHQVDZFWLRQ E\ WKH 6WDWH RHJLVODW
6HULHV RI $XWKRULW\ 1HRWHVWQ ZKGYHDHEHVWRU GXUWHKVHXS
'HIHUUDO $PRXQWV DUH WR EH SDLG

³&ORVLQ´JPHDQHV >BBBBBBBBBBB @

³&RG´HPHDQV WKH ,QWHUQDO 5HYHQXHV&RXGHGRRU DSDQGF
WKHUHXQGHU

³&RQILUPDWLRQ´ RHD3QVLFLRJOOHFWLYHO\ WKRVH FHUV
VXSSOHPHQWV H[HRFXWLGLQJ WDKHUWLWHUHRWHRV DQG DWWDFK
, WR WKH 'LVWULFW 1HRWHQ3XUDSKDHUHEHEORH WRWUXLFKW 1RW

³&RQWLQXLQJ 'LVFOR´VPXHDQ$JUHRHOPHQFWLYHO\ HDFK &R
$JUHHPHQW EHWZHHQ WKH $XWKRULWHGQGKHWKHDWLHVRHPLLQ
GHOLYHU\ RI WKH HRURUHSVXSRKQGULQWL\61HOOHVH[DFXRWHG DQG D
DPHQGHG RU VXSSOHPHQWHGQIUDFFRWLGHQFWWZLWKHRK

³&RVWV RI´,VPXDQVFHDOO LWHPV RI H[SHQVH GRUHFWO\
UHLPEXUVDEOH WR D 3DUWLFLSDQKH RXWKRUL$]XWKRQLWH\[H
GHOLYHU\ RI HDFK 6HULHV RI 'LVWULFW 1RWHV DQG WKH U

³'HIHUUDO´0RQWKV WKH PRQWKV LQ ZKLFK 'HIHUUDO $
GLVWULEXWHG EHWZHHQ GDYHULQHG E\ WKH 6WDWH WR WKH 6HUL
1RWHV PHDQV WKH PRQWKV RI)HEUXDU\ WKURXJK DQG

³'HSDUWPHQW PHDQV WKH &DOLIRUQLD 'HSDUWPHQW RI (GXF

³'LVVHPLQDWLRQ PHDQV WKH 6WDWH 7UHDVXUHUDWLRQ DERQJ
$JHQW XQGHU WKH WHUPV RI DQ\ DSSOLFDXLQW WRUWKHVXUH
RU DQ\ VXFFHVVRU HQWLVVHPLQDWLRQ DQ ZUHWLQHJ EXUHU DQ
ILOHG ZLWK WKH 6WDWH 7UHDVXUHUDWLRQ DFFHSWD

³'LVWULFW 1RWH 3XUFKDVH $JUHHPHQW 1RWH 3XU
DQG EHWZHHQ D 3DUWLFLSDQW DQG WKH $XWKRULW\ RU
3DUWLFLSDQW¶V LVWULFW 1RWH 3XUFKDVH $JUHHPHQW
3XUFKDVH $JUHHPHQWV FROOHFWLYHO\

³'LVWULFW 1RWH 3XUFKDVH $JUHHPHQW WKH 6WDWH "LVWU
1RWHV³ LVWULFW 1RWH WR WKH LVVLQLFYLGXDOO\

³'7&´ RU 'HSRVLWRU\ 7UXVW DQG 7KH 'HSRVLWRU\ 7UXVW
<RUN 1HZ <RUN

³(OHFWURQLF 7KDOQ KDYHHWKH RUHDQLQJ 6HFWLRQ KHU

³(VFURZ $FFRXQW HDFK (VFURZ $FFRXQW FUHDWLRQ LQ
G UHODWLQJ WR WKH 6HUL 1RWHV

³(VFURZ´ PHDQV WKH IXQGDE\ WKH GDWH WR 6HI

³(VFURZ 5HOHDVH PHDQV WKH GDWH GHWHUPLQHG E\ WKH
FRPSXWDWLRQ E\ WKH 'HSDUWPHQW RI &DOLIRUQLD $XWKRULW\ 1RWHV PHDQV <XQ(E0pBB„S\ ] DIW

6WDWHV RI $PHULFD RU REOLJDWLRQV LQFXUUHG LQ FRQQHFWLRQ ZLWK RFFKS
LQGLUHFWO\ XQFRQGLWLRQDOO\ JXDUDQWHHG E\ WKH 8QLWHG 6WDWHV RI

GLUHFW REOLJDWLRQV LQFOXGLQJ WKRVH RQ WKH SDHJGH RE\C
LQVWUXPHQWDOLW\ RI WKH 8QLWHG 6WDWHV SHUIRUPDQFH ERQGV
ZKLFK DUH IXOO\ JXDUDQWHHG E\ WKH 8QLWHG 6WDWHV DQG

UHIXQGHG PXQLFLSDO ERQGV $SSURSULDWLRQV $FW
0RRG\¶V WKH WLPHO\ SD\PHQW RI SULQFLSDO DQG LQWHUHVW RQ
6WDWHV RI $PHULFD

³)LQDO -XQH 'HIHÚUUHG DQG RWKHU FDOFXODWLQ E
'HIHUUDO $PRXQWV IRU WKH -XQH VHF'RQHUDO FRQWULEXWLRQ E
3 LQIRUPDWLRQ

³)LVFDO ÍHHDUV WKH SHULRG IURP -XO\ WKURXJK

³)LWFRHDQV)LWFK 5DWLQJV XFFHVVRUV DQG DVVLJQV

>³XQGV 6XEMHFW WR,QWHUHVW 5HSODFHG 5HYHQXHV UHSU
2WKHU 6WDWH $LG 6XEMHFW WR $SSRUWLRQPHQW @

³,QGHÍQLWHQV WKLV ,QGHQWXUH GDWHZGHDQVWRKH7DXVFK
DQG WKH $XWKRULW\ DV RULJLQDOO\ [HE XWUHGP DVQLGP HQW
DPHQGHG RU VXSSOHPHQWHG LQ DFFRUGDQFH KHUHZLWK

³,QWHUHVW SHFEDQXQHDFK DFPRXHQWVWEEOLKDWHGQ 6HFWL

³,QWHUHVW 3D\PHHQWV 'DWHV 6HULHV $,QWHUHVW 3D\PHQ
,QWHUHVW 3D\PHQW 'DWH

³,QYHVWPHQW $PJHUHQHVPHFRO OHFWLYHO\ WKH 6H\ULHV $,
DQG HDFK $GGLWLRQDO ,QYHVWPHQW $JUHHPHQW

³0DWXULW\'DWHV WKH GDWH RQ ZKLFK WKH SULQFLSDO1SRDO
EHFRPH GXH DQG SD\DEOH

³0RRG\¶PVHDQ 0RRG\¶V ,QYHVWRUV 6HUYLFH [DFHSWL WWK
LI VXFK FRUSRUDWH RQHVGKEOOEHXGGRDQWHG 8HUVRDPWH I`

[3]2SLQLRQ RÍ &PHXQVHD ZULWWHQ RSLQLRQ RI 1RWH &RX

>[3]2WKHU 6WDWH $LG 6XEMÍHLQFOXGHVSWKWLFDQWHJRWULFDQ
IXQGHG IURP WKHQGWDWHL6EKRWHG)XWR DSSRUWLRQLPHLSDQ
&RPPXQLW\ &ROOHJH 3DUWLFLSDQW @

[3]2XWVWDQGLQJ

$Q\ GLUHFW RU LQGLUHFW DVVRFLDWLRQ ZLWK DQ HOHFWLRQ FDPSDLJQ E\ WKH
RI $PHULFD ZKRVH REOLJDWLRQV WUHDWLHV RU XQGHUZULWLQJ DJUHHPHQWV
RU ZKLFK DUH EHLQJ RU KDYH EHHQ SXUFKDVHG \¶EVKHRYHUZKRLQH RI WKHP LV
WKH DSSOLFDQW&RUUHVSRQGHQW 1RWHV

,QWHUHVW EHDULQJ GHSRVLW DFFRXQWV LQ HGXFDWLRQDO LQVWLWXWLRQV
6WDWH FKDUWHUHG VDYLQJV DQG/RDQ DVVRFLDWLRQ RU6DYLQJV&RFLDWLRQV EDQN RU
WKH 7UXVWHHKDYH UHVSRQVLELOLWLHVGHXEOLFRPPHUFLDO EDQN RU
ORDQ DVVRFLDWLRQ DUH UDWHG $L RKHEHWWHUHQH ER\IOHRKGR¶LVV
WKH DSSOLFDQW&RUUHVSRQGHQW 1RWHV

&RPPHUFLDO SDSHU UDWHG LQ WK\HEKLJRKRHGV\¶VV RU
6 3 RU ZKLFKHYHU RQH RI WKHP LLVHWWRHQ$XWKRULQJWWKRWDHSV

)HGHUDO IXQGV RU EDQNHUV DFFHS\WDQFHVDZL\WEKDQ
ZKLFK DQ XQVHFXUHG XQLVXUHGJDLQQGWXKQHJXKDLURKQWWHUGWRI
RI 0RRG\¶V RU 6 3 RU ZKLFKHYHU RQSHOLFDWEKHP 6HVUWKWHQRI
1RWHV

8QLWV RI D PRQH\ PDUNHW IXQG SRWWLRQVLRXEORPSRV
E\ WKH IXOO IDLWK DQG FUHGLWWRHGWLKQH RQHWRHGWKHWDWZHRVK
FDWHJRULHV QEG 6R3RGR¶VZDKLFKHYHU RQWLQJWKHHP DSSWKHQE
$XWKRULW\ 1RWHV

8QLWV RI D PRQH\ PDUNHW IXQG SQRJUWDRVHLJRU\DEWH6C
DQG 0RRG\¶V RU ZKHPKLHVYHWKRQHUDRWLQJ6HWKWKHRSRSLOF1RWHV

$Q\ REOLJDWLRQV JZDKLFKYDHUVHWVWKHHQWKHR3DHRQFLSDO
XQGHU WKH ODZV RI WKH 6WDWHFKRILQDEVLWRPHQLWVSDUHYLQGRH
E\ WKH)HGHUDO 'HSRVLW ,QVXUDQFH&RUSRUDWLRQ RU LWV VXFFHVVRU
HQWLWLHV WKH GHEW VHFXULWLHVRZKLFKHDUPH UZDLWHKG
PRGLILHUV RU RQH RI WKH WZR KLJKHVWRQGR¶QJ DQGUP6 U3D
ZKLFKHYHU RQH RVWLQJHWKHVDSSHOQRUHKHUDEHVWR@ $ °€0À

$Q\ RWKHU SUXGHQWLDO FRQVLGHUDWLRQV PHQWLRQHG LQ WKH 0RRG\¶V DQG 6 3 RU ZKLFKHYHU RQH KDV WKH ORZHVW UDWLQJ 1RWHV DSSURYHG E\ WKH DSSOLFDEOH &RQVHUYDWRUV $XWKRULW\

7KH /RFDO $JHQF\ ,QYHVWPHQW)XQG DGPLQLVWHUHG E\ WKH 6WDWH RI &DOLIRUQLD RU

>)RU QRQ 6WDWH FUHGLW 3DUWLFLSDQWV RQO\@ LQ ZKLFK WKH 3DUWLFLSDQW LV LQYHVWHG WKURXJK WKH LQYHVWPHQW RI VXFK SURFHHGV LQ &DOLIRUQLD *RYHUQPHQW &RGH 6HFWLRQ @

³3HUVRQ´ DQ\ LQGLYLGXDO FRUSRUDWLRQ SDUWQHUVKLS OLPLWHG OLDELOLW\ FRPSDQ\ WUXVW JRYHUQPHQWDO DJHQF\ RU SROLWLFDO VXEGLYLVLRQ RI DQ\ RI WKH IRUHJRLQJ

³3OHGJH´ PHDQV WKH ODVW %XVLQHVV 'D\ RI HDFK 5HSD

³3OHGJHG 5HYHQXHV´ PHDQV WKH UHYHQXHV SOHGJHG WR\ D 3D 5HVROXWLRQ IRU WKH SXUSRVH RI DXWKRUL]LQJ WKH LVVXDQFH RI 1RWHV $X

³3RROV´ PHDQV FROOHFWLYHO\ WKH 6HULHV $ 3RRO DQG

³3RRO ,QWHUHVW´ PHDQV DQ\ IXQGV KHOG E\ WKDW QDPH HVWDEOL

³3RRO 3ULQFLSDO´ PHDQV DQ\ IXQGV E\ WKDW QDPH HVWDEOL

³3UHGHFHVVRU´ 2EOLJDWLRQ´ PHDQV DQ\ UHVSHFW WR DQ\ GLYLG L WKH UHVSHFWLYH GRFXPHQWV DSSOLFDEOH WR WKH FRUUHVSRQGLQJ 3URYLGHU XQGHU WKH FRUUHVSRQGLQJ $SSOLFDEOH &RQW $JUHHPHQW UHVSHFWLYHO\ DQG LQFOXGH WKH 'LVWULFW 1RWHV KDYH EHHQ DVVLJQHG R WKH LQGHPQLILFDWLRQ6XSSOHPHQWDOO\ EDQN E\ VXFK UHVSHFWLYH 3DUWLFLSDQW &UHGLW (QKDQFHU DQG &UHGLW 3URYLGHU 6XSSOHPHQWDO &UHGLW (QKDQFHPHQW $JUHHPHQW LQWHUHVW RQ RYHUGXH 3UHGHFHVVRU EO DOO IHHV DQG H[SHQVHV RI WKH DSSOLFDEOH &UHGLW (QKDQFHU WKH FRUUHVSRQGLQJ $SSOLFDEOH &UHGLW &RQWUDFW DQG DSSOLFDEOH WR WKH H[WHQW WKDW IRU WUDQVIHU &RQWUDFW\ GXH R &RQWUDFW XQGHU WKH UHVSHFWLYH 3DUWLFLSDQW 5HVROXWLRQV

³3ULQFLSDO´ PHDQV DQ\ DFFRXQW E\ WKDW QDPH HVWI

³3ULQFLSDO 2IILFH´ PHDQV WKH WUXVW RIILFH RU FRUSRUDWH ZKLFK IRU WKH 7DXSXSRVH-HWHGLWHG6HQLRU6HFXUHG)L SURYLGHG WKDW IRU WUDQVIHU &

2IILFH RI WKH 7UXVWHH´ VKDOO P8HHQ%WDKQHN F1RUWSLRUQDVWOH$WVU
6DQ)UDQFLVFR X&FDOLWRKUHQLDIIRUEHV7USXHVFWLHG E\ WK

³3UL QFLSDO 3D\PHQWV DWWKH 6HULHV $ 3UL QFLSDO 3D
$GGLWLRQDO 3UL QFLSDO 3D\PHQW 'DWH

³3URFHHG´VP)HXQGV WKH IXQGVEW\DWKDWKEDPLHQ 6HFWLRQ

³3URFHHGV´$FFHRXQWDFK 3URFHHGV $FFRXQW FUHDWHG
6HFWLRQ E ULHOVDRVL'QJVWURLEW6H1RWHV

³3URJÚDPHDQV WKH &DOLDRUFHLSXGFKRRURLOVWFLHQSWD W1HRWSHG
)LVFDO \HDU 6FKRO DQG &RPEDXQLVWSXRVOHQW 'WRWZ
PRUH 6HULHV RI $XWKRULW\ 1RWHVWLDVWH 3DVWWEGLSDQWKM $XQ
IORZ GHILFLWV

³3XUFKDVH $ÚUHHDQHVQWDFK SXUFKDVH DJUHHPHQW EHW
8QGHUZULWHUV UHODWLQJ WR WKHRISXSDFKRVHL WR\I 1RKWHVD
8QGHUZULWHUV WKHUHRI

³5DWLQJ $JHQFLHV)LWFK 6 3 DQG 0RRG\¶V FRUUZKWLEQHYI
WKH DSSOLFDSEXOWHKRHUWHVV1RWHV LI DQ\

³5HDWH´)XQGQG WKH IXQG E\ WKDW QDPH HVWDEOLVKH

³5HLPEXUVHPHQW 2EOLJDWLRQV WR DQ LQGLY
1RWHV L WKH UHVSHFWLYH REOLJDWLRVQVX LRQ JWDKH6HUHLVHSH
1RWHV WKDW KDYH EHHQ DVVLJQHGRIW$RXWKRHU3WRC1RWHFX
FRUUHVSRQGLQJ 6XSSOHPHQWDO &UHGLGWLW(QKJDUQHFHPHQWW
DSSOLFDEOH LQFOXGLQJ ZLWKRGXEV\ OHLFDLXWDVWHLGRQL VRWEUOLFJWD
LQGHPQLILFDWLRQ WK6HXSFSRQUHUHVQHWDDQ&UHGLGHWG L(WQ K3DQRFY
DSSOLFDEOH E\ VXFK UHVSHFWLYHXQ3WDVWDLWFLQQWWL P HL LGL
FRUUHVSRQGLQJ 6X$QKDHQHWDDQG&U&HUGHLGWDS S3ULFYDLEGHU E\
UHVSHFWLYH 3DUWL6XSSDQHPVPHQWDGHUQWHKQ LWH(QKDQQFHDFQG
$JUHHPHQW DV DSSOLFDEOH LQFOXGGL QJ WDHQ UH3VUWGRHQDDXQ
5HLPEXUVHPHQW 2EOLJDWLRQV WR WKH LE[WSHQWL FDHEUPHLWDW
H[SHQVHV RI WKHXSRUHPVQRQGL QJ6GHWG L(WQ K3DQRFYHGHDUQGV
XQGHU WKH 6XSSOHPHQWDO &UHGLW$QKDHQFHPHQW $JSSHH
H[FOXVLYH RI &RVWV RI ,VVXDQFHIWEHUFRDPL QJVHQXH RIV'HDIDXK
UHVSHFWLYH 3DUWLFLSDQW 5HVROXWLRQV

³5HOHDVHG (VFÚRPZHSDRQWQHVDPRXQW RQ GHSRVLW LQ HD
LV WKH OHVVHG RXQWHK'HI(HVWULPDWSRRVLQWVLQVKHQHR(QFGUHRSZ $FF
)LQDO -XQH 'HXQHWUHO SP3RUWLFLSDQW

³5HSD\PHQW´ 3VHKDLRG KDYH WKH PHDQLQJ DVFULEHG W
3DUWLFLSDQW 5HVROXWLRQV

[3]7D[&HUWLILFDWHRIDFFXUDWH PHDQLQJHUHDVRQDEOH6HFWLRQ D KL

[3]7D[([HPSW1RQHDQV >$XWKRULW\ 1RWHV WKHELHQWHUH[FOXGHG IURP WKHVHUYLFHRYROLGHFURVVDWKHQFHRPHRWDI[HSURVHV

[3]7D[DEOH1RHQW >$XWKRULW\ 1RWHV QRW LVVXHG DV 7

[3]7UXVWHHDQV 8 6 %DQN 1DWLRQDO $VVRFLDWLRQ GED OC RUJDQL]HG DQG H[LVWLQJ XQGHU DQG BY VWDWXWHV RI WKH SULQFLSDO FRUSRUDWH 6DWH)WDQ\ RU DQ\ RWKHU DXWKRULW\ RU WU LWV SULQFLSDO FRUSRUDWH WUXVWHH WLWXODU EHQH ILFLDU\ PDVDSWO XQGHU WKLV ,QGHQWXUH

6HFWLRQ,QGHQWXUH &RQVWUXFWLRQRUID,QGH $XWKRULW\1RWHDQGHVLGHUDWLRQ RI WKH SURFHHDEHQG6HDUFHH WKH $XWKRULW\ 1RWHV DXWKRULJHG\ WRKEHLZKXQGHU IURP WLPH WR WLPH

D WKLV ,QGHQWXUH VKDOO EH GHHPWG DWWR EHP$XWKRULW\ WKH 7UXVWHH 6&USHGHWH3QWRDG&HUHGLQG IURP WLPH WR WLSRQ&LQWK6HFUHWDU\ RI $XWKRULW\ 1RWH

E VXEMHFW WR WKH SURYLVLRQV RI 6HFWLRQ 6HUL 3OHGJHG $FFRXQWDQG WKHKRVWKHQGRQ WKHUHVLQWKHV,QGG DQG KHUHRI DQG WKH UHVLGHWHGRE\KHQQ VHWRUWKLQ DQG RQ EHKDOI RI XDKH DQG VHFXULW\ RI WQKHD2ZQHUVWRKHUG1RWHV$XWKRGHDFK 6X &UHGLW (QKDQFHLW D3QRYLGHG&KU &UHGLW &RQVJKRUL WKH1RWHV RU WKH UHJDUGHVV RI WKH WLPH RU WLPHVRRIHWKHUVHDUUDVQXZLPUK SULRULW\ RU GLVWLQFWLRQ RI DQ\ YHUVXV 6HULHV $ $XWKRULW\ 1RWH VKDOOWKRUL\SHEDUDEOHEWRODH PRQH\V ULJKWV DQG LQWHUHVW SXUVXDQWGLUHFWRU1RWHV DQG KHUHRI

F VXEMHFW WR WKH SURYLVLRQV RI6HWWKHRQG GLWE 6HULHV 3OHGJHG $FFRXQWV DQG WVKWVRPDKGHU LPRQWHKVV ,QG 6HFWLRQ FWLRQ 6HKHUHRI DQG WKH HUHRI DQG GWRKHUHRQYGHQDQHHPHQWV VHV ,QGHQWXUH WR EHG SRHQUHRKPDHGH RV WKHE$XWKRULW\1RWH IRU WKH HTXDO DQG UDWDEOH EHQH2ZQHUVWUXFWRHDF\WLRQ $XWKRULW\ 1RWHV RI VXFK 6HULHV D&QGHGHDF K(QKDGQLFWHLRQ $GGLWLRQDO &UHGLWJWW3RRXEG6HUHVXOWKRSGLGW1RWHV DQ UHJDUGHVV RI WKH WLPH RU WLPHVRI WKHDHO EHVXHHRUQDQ SUHIHUHQFH 6HULRULW\ RU GLVWLQFWLRQ $XWKRULW\ 1RWHV RIQDWKHSXUGHHVWLRQ $GGLWLRQDO $XWKRULW\ 1RWHV VKDOO EH D SHFLDO $XWKRULW\ SRWDEHPRQH\V SOHGJHG IRU SD\PHQW RI WKH $GGHLUWLHVQDQ 6HXFWWKLRQL W\ 1E KHUHRI

$57,&/(,,

&21',7,216 $1' 7(506 2) $87+25,7< 127(6

EHDU LQWHUHVW DWBBBBK SUDFHQRRQBBBBK 6SDLDEVOH ,QWHU
'DWH DQG VKDOO DOWKHWKRI SUL\DEOH RQFWKDO6SDLPHQW '
VXUUHQGHU RI WKHW6HUWHV E\ $XKHRZQHU 3KHQFRSDO 2II
7UXVWHH

7KH LQWHUHVW SD\DEOH RQ WKH RFSLWVG $XWKRULEDW
GD\ \HDU RI WZHO0

F R U U H V S R Q G L Q J 3 U L Q F L S D O 3 D \ P H Q W ' D W H R I Z K L F K K D V R

F ,Q WKH HYHQW WKDW WKH $XWKRUL\LQGHWHUPLQI
EHQHILFLDO RZQH\U1VRWHWKH $XWKRUL\HV WKDW WKH

$57,&/(,,,

352&(('6 2) $87+25,7< 127(6

6HFWLRQ HOLYHU\ RI $XWK7RUHLWU X1VRWHHV LV KHUHE\ I

% D VHSDUDWH 3UICLSDO $FFRXQW RU UR W\H DFW H6V H DQG

WKH (VFURZ)XQG DQG WKHUHLQ

$ D VHSDUDWH (VFURZ $FFRXQW IRUQHHDFWR6HWKHH 6HULHV $ 3RRO ZLWK DQ (VWLPDWHG -XQH 'HIHUUDO $P

% D VHSDUDWH (VFURZ $FFRXQW IRU HJDFHG $VGRGLV HDFK $GGLWLRQDO 3RRO

DQG

LI DSSOLFDEOH)XQGHG &DQHG WKHUHLQ

$ D VHSDUDWH &UHGLW $FFRXQW IRU \HDFKH6HULH

E 7KH SURFHHGV UHFHLYHG IURP WKH RWHO GHSRVLWHG LQ WKH LQWHUHVW EHDULQJ DFFRXQWV

&RVWV RI ,VVXDQFH)XQGB B B B B B B &RVWV RI ,VVXDQFH $FFRXQW

3URFHHGV)XQG ZLWK GHSRVLWV DWWULEXWDEOH WR WKH 6HULHV $ $FFRXQWV DWWULEXWDEOH WR WKH 6HULHV $ 'LVWULFW 1RWHV DVVLJQHG WR VHFXUH WKH 6HULHV $ $XWKRULW\ 1RWHV LQ WKH DPRXQWV VHW IRUWK LQ 6FKHGXOH ,, KHUHWR

(VFURZ)XQG ZLWK GHSRVLWV DWWULEXWDEOH WR WKH (VFURZ $FFRXQWV DWWULEXWDEOH WR WKH 6HULHV $ 'LVWULFW 1RWHV DVVLJQHG WR VHFXUH WKH 6HULHV $ $XWKRULW\ 1RWHV LQ WKH DPRXQWV VHW IRUWK LQ 6FKHGXOH ,,, KHUHWR

6HFWLRQ 8VH RI 0RQH\ LQ WKH &RVWV RI ,VVXDQFH 3D\PHQW)XQG DQG (VFURZ)XQG

D &RVWV RI ,VVXDQFH)XQG 7KH PRQH\V LQ WKH &RVWV RI ,VVXDQFH)XQG VKDOO EH XVHG SDLG RXW &RVWV RI WKH UHODWHG 6HULHV RI $XWKRULW\ 1RWHV DQG DFFUXHG LQWHUHVW DWWDFKHG KHUHWR DV ([KLELW % XQOHVV RWKHUZLVH GLUHFWHG LQ WKH &RVWV RI DQ\ 5HTXLVLWLRQ H[FHHGV WKH &RVWV 7UXVWHH VKDOO SURPSWO\ QRWLI\ DVZKHQ LW IXOILOOV WKH $XWKRULW\

2Q WKH HDUOLHVW RI >@ SURYLGHG RQ XSRQ EHTXHVWV $XWKRULW\ DPRXQWV LQ DQ\ &RVWV RI ,VVXDQFH $FFRXQW DQG Q

WR SD\ LGHQWLILHG &RVWV RI ,VVXDQFH VHUFLWKHG6HQLZHUL
0XQLFLSDO $GYLVHRU LWRF WXKHL 7UXVWL RQDLWLIDHHVRUDHGSLHQ
7UXVWHH RU DQ\ LGHQWLILHG 3UHPHQMDX2EWL2EDWLJRQWLRQW
WKH 6HULHV $ $XWKRULW\ 1RWHVULWKD1RWHH3D\PHQWI)XQHG
WR WKH 3D\PHQW $FFRXQWV WKHUWLUQLFDW1RUWHXWDDVEOLHQWHG
6HULHV $ $XWKRSWU1RWHWRQW\KHDSRVXQWHG LQLWKDO6HUL
,VVXDQFH $FFRXQW IURP SURFHHGVRWWLKHX6HULHV RXWK
DV VHW IRUWK LQ D FHUWLILFDWGHWRR WKH 7UXVWLHSDO $GYL

6HULHV RI $GGLWLRQDO $XWKRULW\ 1RWHV 5HSD\PHQW 3HULR
ZKLFK DUH HTXDO WR WKH SHULQFLSDO DQG LQWHUHVW
5HSD\PHQW 3HULRG ZLWK UHVSHFW6HUL HVXFK 3DUWLFLSD
GHVLJQDWHG RQ WKH WLDYFH 6HUL XHWKRU HDQG
RQ WKH WHQWK %XVLQHVV 'D\ RI WKH WRVW 5HSD\
RI 'LVWULFW 1RWHV RI VXFK 3DUWLFLSDQG LRQLDOK 'LVWU
RWKHU GD\ DV VHW IRUWK LQ WKH 6RSSKHFFRQUHVS,RQGHQ
$GGLWLRQDO $XWKRULW\ 1RWHV RUDSLSORQDE RQ WRHVXFK
'LVWULFW 1RWHVQRQVWKH WHQXFK 5RSDRPHQZL 3KUHVSHFW
RI $GGLWLRQDO 'LVWULFW 1RWHV 6XSSKHPHQWDQ,QGHVQWH
WR WKH FRUUHVSRQGLQJ6HUL XWKRU$LQW 1RWHV WRQWKH O
SULQFLSDO RI DQG LQWHUHVW RQ VXFK 6HULHV RI 'LVWUL

RI DQ\ REOLJDWLRQV RU DJUHHPHQWV RU DJUHHPHQWV WKDW HUHDWH VHFXULW\ LQWHUHVWV LQ
5HVROXWLRQV

G (VFURZ)XQG $OO PRQH\V UHFHLYHG IURP WKH VDOH RI WKH %RQGV
&ORVLQJ DV GLUHFWHG E\ WKH 7UHDVXUHU VKDOO EH GHSRVLWHG LQ WKH (
IRU HDFK 6HULHV RI 'HVLJQDWHG 3URMHFWV DQG DFFRXQWHG RQ D VHSDUDWH
'HIHUUDO $PRXQW HDFK DQ ³(VFURZ 6HFXULWLHV´ DV GHILQHG LQ
WKH (VWLPDWHG -XQH 'HIHUUDO $PRXQW HDFK DQ ³(VFURZ 6HFXULWLHV´ DV GHILQHG LQ
$FFRXQW KHOG E\ WKH 7UXVWHH LQ WKH HQWLW\ QDPH RI 6FKRRO)XQG
FUHGLWHG WR WKH (VFURZ $FFRXQW $Q\ LQYHVWPHQW HDUQLQJV RQ
VHW IRUWK LQ 6FKHGXOH ,,, KHUHWR UHODWLQJ WR WKH 'HIHUUDO
HDFK VXFK 6HULHV $ 'LVWULFW 1RWH DQG DQ\ GDVKHG DSSOLFDEOH TXHQ
,QGHQWXUH ZLWK HUHVW SHRFW$GVRL WKDW RQ

7KH DPRXQWV RQ GHSRVLW LQ WKH (VFURZ)XQG LQFOXGLQJ LQYHVWPHQW
,QYHVWPHQWV@ XQWLO WKH (VFURZ 5HGHPSWLRQ 'DWH DUH KHOG LQ WUXVW
SURYLGH WKH 7UXVWHH ZLWK LQIRUPDWLRQ ZKLFK 3HUPLWWHG ,QYHVWPHQW
$FFRXQW 2Q WKH (VFURZ 5HGHPSWLRQ 'DWH WKH 7UXVWHH VKDOO WUDQVIHU
GHSRVLW LQ LWV &RXQW\ 7UHDVXU\ RU WKH 3D\LQJ $JHQW DSSRLQWHG
UHPDLQLQJ LQ HDFK (VFURZ $FFRXQW DIWHU OLTXLGDWLRQ RI LQYHVWPHQW
E\ WKH 7UXVWHH WR WKH 3D\LQJ $JHQW IRU WKH 6HULHV RI 'LVWULFW 1RWHV DQG LQ
5HLPEXUVHPHQW 2EOLJDWLRQ RU RWKHUZLVH DV GLUHFWHG LQ WKH
3DUWLFLSDQW DIWHU WKH ODVW GD\ RI WKH ODVW 5HSD\P

6HFWLRQ&DQFHOODWLRQ RI 3DDEGK'L6VHWUHFWR1RLWHWU
ZKHQ SDLG LQ IXOO LQFOXGLQJ E6XUSHOPHEXHQWHDQ&UHGLW
&UHGLW 3URYLGHU DV DSSOLFDEOHODE SURQLFHGHG HLG E6H
SURYLGHG KRZHYHU WKDW HDFKGHHPHLGVRXRW VLWDQGLEQJ1RQ
FDQFHOOHG EXQWKLHO7UXWKHH2ZQHQJ6RHUWKRURVX1RVSRQGK
EHHQ SDLG LQ IXOO ZLWK UHVSHFWQGR LXFWK6HHUSOPH'H
(QKDQFHU RU &UHGLW 3URYLGHU DIRUDSSOLFDEOZHLQKDVRE
PDGH XQGHU WKH 6XSSOHPHQWDO &UHGLWVQEHHPDEQWH
VXFK 6HULHV RI 'LVWULFW 1RWHVGDQHGLPDEXOVHUHHGQHWDXEQL2
DQG RZLQJ VXFK 6XSSOHPHQWDO &UDHVGLDSS(QKDQFHU RUHG&D
6HULHV RI WLWWWKDFYW1ERHQ SDLG

$57,&/(9

',675,&7 127(3$<0(176 $1' ,17(5&(37

6HFWLRQ$VVLJQPHQW RI 'LVWULFW 1RWHVDFK D6QHGUL,HQW
'LVWULFW 1RWHV OZKHQHLGHQVQXHLGLHVGKDZDXEKMEF3RRVOR WDKH SUR
,QGHQWXUH SHUPLWWLQJ WKH DSSOLFDQWGLRQ WWKHHUWRUPVUD
VHW IRUWK LQ WKLV ,QGHQWXUHQ LQFXKGHLQHDRWKHLKSWDRWLWO
LQWHUHVW RI WLKQH DSQXGKWRRUDWOWSKDHEHKQWVEWKHUHRQFDEO\
SOHGJHG DQG WUDQVIHUUHG WRZQHV7RX WWKHHFRUUWKSHREQH
$XWKRULW\ 1RWHV GLQQGJ WXKSHQHRHQHWSDRQ &UH&GLWGL[QK3QRY
DSSOLFDEOH LI WKH SD\PHQWVRRQHVDKOVXEKH6XHUHGHVRRU
SD\PHQW RI WKH LLQQWFHSDWRIQKHQHGRSHWHVISRXQGKQUL6W\ 1R
UHLPEXUVHPHQW RI GUDZLQJV XQGHUIRPSWKPHQFRVUHDSH
6XSSOHPHQWDO &UHGLW (QKDQFHPEQWDRUDQ&GLWLW ,QFWU
RI 'LVWULFW 1RWHV VKDOO QRWXGHLQJHWKHRUDPQRWRHXSW
RI D GLIIHUHQW 6HULHV RU UHLPEXUWH(PHQKQWFHURRWK&HUGS
DV DSSOLFDEOH UHODWLQJ WRVD GRFHRQHJQDW6DQULRV WRKHXF
6HULHV RI $XWKRULWW\Q 2XRWWVHWDQGLQJ

E 6XEMHFW WR 6HFWLRQ F KHUH'RLVWDULFWSD\RPWH
DVVLJQHG WR D SDUWLFXODU 3RHOLQKDHUHWE RSQSDQGSWL
FRUUHVSRQGLQJ 6HULHV RI $XWKRULWW\R1RWWKHV FRQFUHXGS
6XSSOHPHQWDO &UHGLW (QKDQFHU RU &UHGLW 3URYLGHU

F 1RWZLWKVWDQGLQJQDQRIRWWKLHU,SJGRUQGWXEHD 2DWWWLU
WKDW KDV LVVXHG PRUH WKDQ RHQWH6QHWLHRQ FDIQ'LVQWUHEHWV1W
RU 3ULQFLSDO 3D\PHQW 'DWH WRKEQH6HVUDHGHRLFFLVHQUF\FZWL
3DUWLFLSDQW DQG WR WKH H[WHQWWLFDQ\1SRDWPHVQRI RQXEKQ\3
EHLQJ PDGH IURP PRQH\V RWKHU WLKVDQUWFKW SRWHHVHGWKRI7
DSSRUWLRQ DOO VYXHGFK IPDR\PHVQWWKV 3WDHUEWLWHRSDQQV RUHHOWDV 'LV
DFFRUGDQFH ZLWK WKH SULRULW*\ SRURVYXLFVKLR3QUWWLHFWLSEQWWK
DQG WKH 7UXVWHH VKDOO DSSO\ VXWFK WDKSHPRSUWHFRQGHQJSDPU
UHVSHFW WR HDFK VXFK 6HULHV \RPH'QLWWW$UEFRWQ1WRWDHWWUDREQXH
RI 'LVWULFW 1RWHV RI RQH 3DUWDQFLSDQGWLVKEWO\QRRUWLEQHGLX

XS DQ\ GHILFLHQF\ LQ WKH 3D\PHQW RI$FFRXQLW DWLRWLHVXR
3DUWLFLSDQW

G $V VHFXULW\ IRUKWKSHUSQFLSDO RIDQ6HLQLWHVURIVWL
1RWHV LVVXHG XQGHUWKFLSDSQWLFEWHRXWLRQ SDXPHQW
SURYLVLRQV VHW IRUWK WKHUH3QHGJHFK 3HUWQXHVDLQWDKQD
WR WKH SHUFHQWDJHV RI WKH SUFLQFLSDOWDQ6HLQWHURHV'W
PDWXULW\ IRU WKH FRUUHVSRQGLQJ &RSDLFHQW3HQURRGVLV
WR 6HFWLRQ F KHUHRI DQGWKRHWKHLJQPHQW SHUPLQW
HIIHFWHG E\ WKLV VHFWLRQ VK\DLQWFRQHVEWLWQWKHFHQ3HQP
RI DQG DOO RWKHU ULJKWV XQGHU WKH 'LVWULFW 1RWHV R

LI DQ\ SXUVXDQW WR DQ X&FKHGXOH SURYLGHG LQ WHUPLQDWLQJ &WHUPLQDWLQJ
5HLPEXUVHPHQW 2EOLJDWLRQV DQGLQJ GRHVXFKW6HJXOHDWLRQV DQG
1RWHV DSSOLFDEOH WR VXFK 3DUWLFLSDWLQJ [FDQGG DPRXQW
FRQVWLWXWH SURFHHGV RI VXFK I6DQG\HDPRXQWV GXHWZL1RKW
DQ\ RWKHU 6HULHV RI WKHW3DFWV1RQS DUWLHV PEXUVHPHQW REO
DQ\ FRUUHVSRQGLQJ 6XSSOHPHQWDO &DVGLSSQKDEOHFHULRQ
ZLWK WKH SULRULPWUSKURYLVLRQV GI ' R*I VXFK 3D
5HVROXWLRQ DQG DV RWKHUZLVH VHW IRUWK WKHUHLQ

6HFWLRQ7UDQVIHU RI 0RQH\ IURP WKH $XWKRULW\ 1
7UXVWHH VKDOO DIWHU WKH 7UXQVPHQWKDUHFDGUHGE\UG6HFX
KHUHRI WUDQVIHU DPRXQWV IURP DWKH P3RQPHQFRQ$WERXQG
$XWKRULW\ 1RWH 3WPHQEWXQGGWDQGDOV 61RWLHV DVVLJQHG
6HULHV RI $XWKRULW\ 1RWHV DWWKHIRRORZLQJ UHVSHFW
DFFRXQWV LQ WKH PDUNHWGHUDQGEWKHIXQGHV DQG
VKDOO EH GLVEXUVHPQDQGUHOWKHXDJHG VXEMHFW WR

D ,QWHUHVW $FFRXQWV LQ WKH 3RRO $XWKRULW\ )1RQ
7KH 7UXVWHH RQ HDFK 'DQWHUHVWSD\PHQW'DWH SRUWLRQ3D\PHQ
WR WKH DSSOLFDEOH ,QWHUHVW $FFRXQW VKDOO WKDWH1RWH
DQG SD\DEOH RQ WKH UHODWHG 6HULHV WR 3DUWLFLSDWLQJ'DWH1RW
HDFK ,QWHUHVW $FFRXQW VKDOO EH VROHO\ DQG ZLKWKGUUDZQ
WKH LQWHUHVW DW WKH 6HULHV RI $XWKRSHFLILW\1RWHV WKH3D

E 3RRO 3UQFLSDO $FFRU3UQLQFLSDO 6HULHV 3RRO 5HGHPSWLRQ
1RWHV 7KH 7UXVWHH RQ HDFK 3UQFLSDO 3DUWLFLSDQW\DWH

LQWHUHVW RQ DQG SRWKHQF 6HUHLW\1RWHXWRU HDFK ,QWHU
'DWH DQG WKH 3ULQFLSDO 3D\PHQW $XWKRULW\1RWHOH WRQ
XQGHU RU SDLG SXUVXDQW WR D &UHGLW ,QVWUXPHQW
GHSRVLWHG LQ WKH &UHGLW $FHRXQW &UHHFRRUSXVWRQGLW\
&UHGLW)XQG

E ([FHSW DV RWKHUZRLYLHG HQSOQFWKHSSRUHPHVSWDQG &QJ
(QKDQFHPHQW RU &UHGLW ,QVWUXPHQW KLVDQGFWXLRMHFWDWF
1RWH RI WKH FRUUHKVDSRQGHQSD6LHGLVWVRQ\PHQW,Q'DWH WKDV
3ULQFLSDO 3D\PHQW 'DWH ILUVW HSRRVLWHG DLYQDWKHEUHOP
$FFRXQW LQ WKH 3RRO ,QWHUHVWRQJ$XWKRXUFKW6HURLWHV D
H[WHQW RI DQ\ GHILFLHQF\ WKHUHLQU VHUFRQGLGISXUVaR€Qp

5DPSD€ 3€ • p 3T€À p@@ G C
KH 3RRO ÇQW

HUHVW •€ p
$FFRXQW,QWKH3RRO BQLQFLSDO)KHILHF°p€p0RWKH
PRQH\V

LQWHUHVW GXH RQ VXFK 6HULHV RIG$XWLKRWLW\F1RWHVS
6XSSOHPHQWDO &UHGLW (QKDQFHPHQRWSRRY&UHGLW,QWRU
GUDZQ RU SDLG RQ VXFK 6XSSOHPHQWDO&UHGLW(KDOQEH
WKH &UHGLW $FFVRXRQWGLRQJ6HUHLFRWRUH$XWKRUL&W\1GLW)XQG
WR WKH SD\PHQW RI SULQFLSDOIR$XDWKGRUWL\1RWHVVDVRSQU
VHFWLRQ H[FHSW WKDW PRQH\V3DL\PHQW RIQFRXSRWLWQLWK
1RWH 3D\PHQW)XQG FRUUHVSRQGLHQJ WRDWXZRX6HGLKDYRIE$
WR SD\ VXFK SULHQFLSDODEQHQRWXWKLWGUDZFWQJRRQUDSDG\PHQW
&UHGLW ,QVWUXPHQW RU 6XSSOHPHQWDO&UHGLWKH(7KDXQ
UHLPEXUVH V0C

F R U U H V S R Q G L Q J 6 H U L H V R I $ X W K R U L W \ 1 R W H V W R W K H H [W H Q W 2 X W V
'L V W U L F W 1 R W H V Z L O O E H D O O R F D W H G H U L H V R I $ X W K R U L W
2 S L Q L R Q R I & R X Q V H O W R W K H H I I H F W H W L Q W H U X F W D P Q W K H
6 H U L H V R I $ X W K R U L W \ 1 R W H V W R E H G L H Q F O X G L Q E R H L Q D [U
S U R Y L G H G W K D W Q R V X F K D P H Q G P H Q W V D K D O X Q W H G I X F H L Q K H
W K H W L P H R I S D \ P H Q W S H F W U W R I Z Q W 6 H U L H V R I 'L V W U

HDFK D ³7D[&HUWLILFDWH´ HDLFK DV ZKLFKOL\VLQFRSRU
FRYHQDQW VKDOO VXUYLYH SD\PHQW LQ IXOO RU GHIHDVDO

VKDOO KDYH QR [illegible] ZLWK WKH WHUPV RI WKH DSSOLFDEOH 7D[&HUWLILFDWH

E 8SRQ WKH $XWKRU[illegible])XQG DQG WR D VSHFLDO DFFRXQW [illegible] WKH ³5HEDWH)XQG 6XEDFFRXQW´ [illegible] RI VXFK 5HEDWH)XQG 6XEDFFRXQW [illegible] $XWKRULW\ 1RWH [illegible] &DOFXODWLRQ 'DWH DV GHILQHG [illegible] $PRXQW VKDOO EH IXUQLVKHG E\ [illegible] DSSOLFDEOH 7D[&HUWLILFDWH

F 7KH 7UXVWHH VKDOO KDYH QR REOL[illegible] DUELWUDJH UHED[illegible] FUHDWHG XQGHU [illegible] $XWKRULW\

G 7KH 7UXVWHH VKDOO LQYHVW DOO D[illegible] ,QYHVWPHQWV DFFRUGLQJ WR ZULW[illegible] HDUQLQJV FDOFX[illegible] LQWR DFFRXQW DPRUWL]HG GLVF[illegible] D SDUWLFXODU 5HEDWH)XQG 6XEDFFRXQW [illegible] WUDQVIHUUHG [illegible] LQ H EHOR

H 8SRQ UHFHLSW RI WKH $XWKRULW[illegible] LW LV VR GLUHFWHG WR SD\ E\ [illegible] $XWKRULW\ 1RWH [illegible] 5HTXLUHPHQWV [illegible] RXW RI VXFK 5HEDWH)XQG 6XEDFFRX•ÀDW ÐuDQG

RU FDXVH WR EH SDLG WR WKH 8QLWHG 6WDWHV DWWHUQHG DEW
$PRXQWV DV GHVFULEHG 7DV [&HUWLILFDWH EXW RQO

GHOD\ RU RPLVVLRQ EH[WKHF7VUKVDQEFWULJKQJ XRSRQUHP\H
KHUHXQGHU VKDOO LPSDLU DQ\ VXFKUHJKW RRE HUHPZHGL\ RU
GHIDXOW KHUHXQGHU RU DQ DFTXLUHVFHQ\FHRQKHUHQ XDSRQG
E\ DSSOLFDEOH ODZ RU E\ WKLV DUWLFOHP PDL\PEHWHQ WRLFHH
DV VKDOO EH HGHPWPE\GWHK[HSH7GLXVWHH

,I DQ\ DFWLRQ SURFHHGLQJ RUHVXFLWWHWDQHQHUFH\ DQ\D
RU GHWHUPLQHG DGYHUVHO\ WR WKH3 7RXVWHH WKHH FRUU
6XSSOHPHQWDO &UHGLW (QKDQFHUWKHKH \$XWKRDUWLRV WKH
WR WKHLU IRUPHU SRVLWLRQV UQLJKWPFDHGLQHPRGLVHXLWDV
EURXJKW RU WDNHQ

1RWZLWKVWDQGLQJ DQ\WKLQJ WR WKHHFRQWDUDGHQDR
KHUHXQGHU RU EUWHLDFQK KRHUDQ\QRGEHDLQ3DKUWKEPSSHEQWWWRHFW
ZLWKRXW WKH SUWRRUI ZUKHWWRHUQUHWQHGLQJD&UGHGXSSHPHG
(QKDQFHU DV DSSOLFDEOH

6HFWLRQ$SSOLFDWLRQ$OO)XQGHV UHFHLYHG E\ WKH
WR DQ\ ULJKFWWLJRQYHQDRHUSDUXQGHUWKLFOWK1L,V, VKDOO EH DS
WKH 7UXVWHH DIWHU SD\PHQW RI6DFWDPRXQWKHGXHRID
ZLWK WKH SULRULW\ SURYLVLRQV SSOLFDEOHWR6HFEWDLQW
(DFK VXFK DSSRUWLRQHG SD\PHQW JKDOHG EHD\PHQWV
DWWULEXWDEOH W6RHUWLKHV FRU'LMWSURLQGLDXOHWL RJ 3D
\$XWKRULW\ 1RWH 3D\PHQW)XQG DQGLQVKDOHIEHODRSZSLQJHRU
SUHVHQWDWLRQHFWWKG6MHYHVDRI DXKWKRUHWWDPSHQJ WKH
SD\PHQW LI RQO\ SXDSURQLWKHV\SXDULUKQRGHUSDLKGHUHRI L

)LUVW &RVWV DKQHG S(DSHHQWVRIWRKQWHFR VRWWKHQ G7UHX
DQG RI WKH 2ZQHUFK LQYHGQWFRD UHLQDXKDWVRLQQDFEOXGLFRJPSH
WR LWV RU WDWKWHLRUQJHVQWQG FRXQVHO

6HFRQG ,QWHUHVWR WKHWKHSHUSRQHQWQLWSDHGHQWK
LQWHUHVW RQ WKHRID\SXSOLFDWLRQ6HWWKHHWRWKGHQ RXHWKH G
VXFK SD\PHQWV DQG LI WKH DPRXQWQWDWRLSDD\EOH VXK
SD\PHQW RU SD\PHQWV FRPLQJ GXH\RQQWKWKVDPHRIGDW
DFFRUGLQJ WR WKH DPRXQWV GXH KWHUWRRQZLWRRXW
GLVFULPLQDWLRQ RU SUHIHUHQFH

7KLUG 3ULQFLSDO WR WKH SD\PHQWV WUWV‡WKRH ŽG

WR WKH 2ZQHUV WKHUHRI DV SURYLGHG KHUHLQ DQG WKH
WR H[HUFLVH WKHGUKHPHGLQ DFRQRQLQKH KDQHQ DQG VXE
FRQGLWLRQV DQG WHUPV KHUHRIQ%H QHXHWLQJ7QG GWHH
SHUIRUP VXFK REOLJDWLRQV

3ULRU WR DQ (YHQW RI 'HIDXOW DDQG EHQHFXDHG (WKQ

7KH 7UXVWHH VKDOO KDYH QR UHVSRQVLELOLW\ ZLWK
UHFLWDO LQ DQ\ RIILFLDO VWDWHPHQW GRFXPHQW RU PHPRUDQGXP
RU GLVWULEXWHG E\ 6HULHV RI WKH $XWKRULW\ 1RWH

$Q\WKLQJ LQ WKLV ,QGHQWXUH WR WKH FRQWUDU\ QRWZLWKVWDQGLQJ, WKH
OLDEOH IRU VSHFLDO LQGLUHFW GDPDJHV RU FRQVHTXHQWLDO
LQFOXGLQJ EXW QRW OLPLWHG WR ORVW SURILWV HYHQ LI WKH 7UXVWHH
VXFK ORVV RU GDPDJH DQG UHJDUGOHVV RI WKH IRUP RI
SDUWLHV KHUHWR DFNQRZOHGJH WKDW LQ WKH HYHQW
KHUHXQGHU LV SUHYHQWHG E\ force majeure
WKDW LV EH\RQG WKH FRQWURO RI WKH 7UXVWHH
)RUFH PDMHXUH VKDOO LQFOXGH DFW

6HFWLRQ1RWLFHV WR 5DW7LQJ 7UXQFLHHV VKDOO QRW
0RRG\¶V RU ZKLFKHYDWLRQHDQV 6WHRHUQW\R1RWKHV $XLQK ZULW
RFFXUUHQFH RI DQQ\ HYHQKWVIRLOBXQSDPHPHQGPHQW RWKHU FK
,QGHQWXUH IURP WKH IRUP RULJLQDOQ\ H[HFXWHGDQG XHSQ
RWKHU FKDQJH WHRPHQW&URHUG6XSSOHPHQWDO&UHGLWP(QKW
IRUP RULJLQDOO\ H[HFXWHG DQG NXSSOHPHQWRU RLWKHDQF
&UHGLW ,QVWUXPHQW RU 6XSSOHPHQWDO &UHGLW (QKDQF

D

RU SD\PHQW GXO\ SURYLGHG IRU EF LWKQH 7UXVWHHR SUHVDE
2EOLJDWLRQV DQG 5HLPEXUVHPHQW 2EOLJDWLRQV GRXHVRUK

6HFWLRQ 8QFODLPHG $RQHKLQJ FRQWDLQHG KHUHLQ
QRWZLWKVWDQGLQJ WKH 7UXVWHH SD\PHQWV RU GLVWHKDU
LQWHUHVW RQ RU SULQFLSDO RI DQ\OSDLPHG IRU\ WZRWHV ZH
WKH GDWH ZKHQ WKH SD\PHQWV RQ VX\FKE $KWLRUXWK 1RWQ
KHOG E\ WKH 7UXVWHH RQ VXFK GDWHRIIRUSRZRW RIHVX
GHSRVLWHG ZLWK WKH 7UXVWHH DIWHUSULQFLSDO ZKHQXWKH $X
KDYH EHFRPH SD\DEOH VKDOO EHFLHSDQLVED WKH 7UXVWHH
WKHLU DEVROXWH SURSHUW\ IUHKHURXSRQXEW UHQGDWKHG 7
ZLWK UHVSHFW WKHUHWR DQG WKHF2ZSQHUW VKDOOWKRNS
LQWHUHVW RQ DQG $XWKRUSDO 1RWHWRRW WKDQJ DQGH&UHG
DQG DOO 6XSSOHPHQWDO&UHGVWQSRQORQJEUHEHVKDOOIHFW
SURYLGHG WKDW EHIRUHPDNLQJ QUHTXWKH 3DUHWLWDQWV
VKDOO DV D FKDUJH RQ VXFK IXQGHUVJRYH$XWKRUFHWE\1RWH
PRQH\ UHPDLQV XQDOWHUHG GDWHWQHWZKLQKVXDKQRWDOO
WKDQ VL[W\ GD\V DIWHU WKHGDWHRRJLVYXLFKJPRXFK\QWKW
ZLOO EH UKHXUQHGFWRDQWV

$57,&/(;,,

0,6&(//$1(286

WEDÀ`ÇRW W

UHTXLUHG WR EH NHSW E\ WKH 7UX6HWFHWLRQXUVXDQWWRW
3URYLGHUV DQG DHGL6XSSKDHPHQWLUQR&U OHGD\WKDRU WPRUH
GD\V IROORZLQJ WKH WRWLKHQ ZRUHQKWQRWLFHUQHLQJUHRG
EH JLYHQ SURYLGHG WKDW UHFHLSW RIQGLWLRQ KSQRWLC
HIIHFWLYHQHVV RI VXFK QRWLFHRWLQGHIDLOXUHQRW UHIHFLW
WKH SURFHHGLQJV WDNHQ LQ FRQQHFWLRQQZLWKZKLFK DXWI
JLYHQ

6HFWLRQ)XQGV$Q\ IXQG RU DFFRXQW UHTXLUHG W
PDLQWDLQHG KHUHLQ E\ WKH 7UXVWHHLQDWKH HVWRXQWLQ
WKH 7UXVWHH HLWKHU DV DQ DFFRXQWH RU VXFKQGFFRXQWD
DQ\ DXGLWV WKHUHRI DQG DQ\ UHSRUWV RU VWDWHPHQWV

6HFWLRQ $UWLFOH DQG 6HFWLRQ +HDGLQJV 7KH *HQGH
KHDGLQJV RU WLWOHV DUH WLRO HVKD QVHQWHFWKRQWDKHUHRII FRQWH
KHUHWR VKDOO EHQVRHO RO \UHRU HRQFYHIQHQFWVWKHOPHQDQLQJ
RU HIIHFW KHUHRI DQG ZRUGV RI RQV JHQGHUWRKDQFOXHHO
$OO UHIHUHQFHVHKVH´UHVHQFWLRR ³DVÚWDQGRQWKRU FXDXVHV D
FRUUHVSRQGLQJ DUWLFOHV VHFWLRQGVWKHZRUYGLV ³KHUHRU
³KHUHRI´ ³KHUHWR´ ³KHUHZLWK´ ³VKLHPLHOXQUGHUSRDQWG URHWK
,QGHQWXUH DV D QZKRDHWDQFXQDRUWDXEGDFYLHVLRQ FRULRQDXVH

6HFWLRQ 3DUWLDO ,QYDOLGLW\ RU PRUH RI WKH DJUH

,I WR WKH 3DUWLFLSDOLQWXDO 7RGKHQL(HKLEL WHWRU
3XUFKDVH $JUHHPHQW

,I WR WKH 8QGHUZULWHUV 0DUNHWV //&
6RXWK)LJXHURD 6WUHHW 6XLWH
/RV $QJHOHV &DOLIRUQLD
$WWHQWLRQ 0DQDJLQJ 'LUHFWRU

&LWLJURXS *OREDO 0DUNHWV ,QF
6RXWK *UDQG $YHQXH 6XLWH
/RV $QJHOHV &DOLIRUQLD
$WWHQWLRQ 0DQDJLQJ 'LUHFWRU

,I WR WKH 5DWLQJ >LQWFK 5DWLQJV ,QF @
$JHQFLHV :KLWHKDOO 6WUHHW
1HZ <RUN 1<
7HOHSKRQH BBBBBBBBB
7HOHID[BBBBBBBBBBBBBBBB

>6WDQGDUG DQG 3RRU¶V 5DWLQJV *URX
0XQLFLSDO)LQDQFH 'HSDUWPHQW
%URDGZDO WKH RRU
1HZ <RUN 1<
7HOHSKRQH
7HOHID[

>0RRG\¶V ,QYHVWRUV 6HUYLFH@
&KXUFK 6WUHHW
1HZ <RUN 1<
7HOHSKRQH
7HOHID[

6HFWLRQ (IIHFWLYH7DWH,QGHQWXUH VKDOO EHFRPH
H[HFXWLRQ DQG GHOLYHU\

6HFWLRQ ([HFXWLRQ LQ &RXQWHUSDUWXUH PD\ EH H[
HQWHUHG LQWR LQ VHYHUDO FRXQWHUSDUWV HDFK RI ZK
VKDOO FRQVWLWXWH EXW RQH DQG WKH VDPH LQVWUXPHQ

>5HPDLQGHU RI SDJH LQWHQWLRQDOO\ OHIW

P€`p€€ð0

,1 :,71(66 :+(5(2)WKH $XWKRULW\ KDV FDXVHG WKLV ,Q
QDPH E\ LWV ([HFXWLYH 'LUHFWRUEHRIQ E\HVXFKQDWHKGHUE\SLHW
ERDUG DQG 8 6 %DQN 1DWLRQDO QFVHRLFWLDWLFHQSWDQ7FUHXW
KHUHE\ FUHDWHGGWKHV,QEHXQLJXUHBMLRIWKHQDQXDWHKRUL]H
RIILFHU RI WKHR7UXKWHGD\ DQGZDWLWLHQVW DERYH

&$/,)251,$ 6&+22/),1$1&(
&]
$87+25,7<

%_____

6&+('8/(,

3$57,&,3$7,1* ',675,&76 $1' &2817< 2)),&(6 2) ('8&$7,21
6(5,(6 $ $87+25,7< 127(6

3DUWLFLSDQW	3ULQFL$PRXQ'		

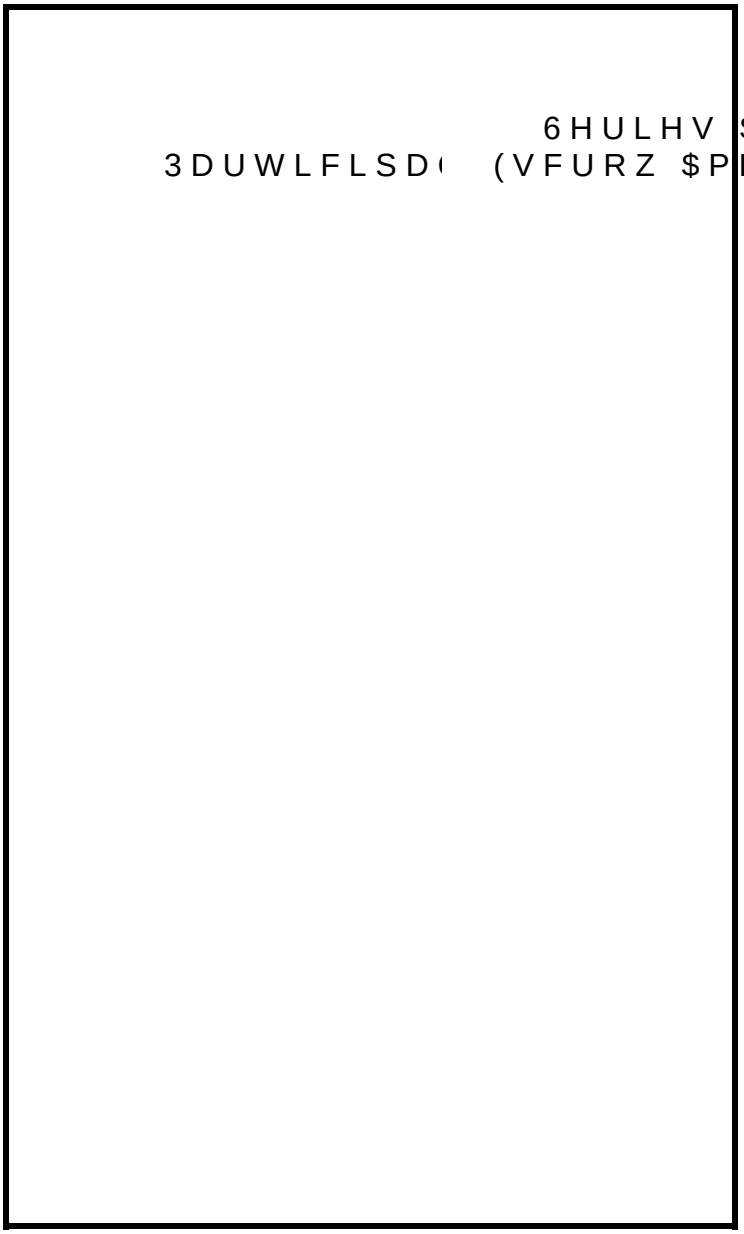
6&+('8/(,,

,1,7,$/ '(326,76 72 3$57,&,3$176¶
6(5,(6 $ ',675,&7 127(6
352&(('6 $&&28176

3DUWLFLSD(	6HULH\ $XWKR 1RWH 3URFHI $PR)	5HSD\P 3HULR	3OHG 'DWH\	3HUFHQWDJH

6&+('8/(,,,

,1,7,$/ '(326,76 72 3$57,&,3$176¶
6(5,(6 $ ',675,&7 127(6
(6&52: $&&28176



(;+,%,7 $

>)250 2) $87+25,7< 127(@

81,7(' 67$7(6 2) $0(5,&$

ZKLFK WKH ,QGHQWXUH FDQ EH DPHQGHG GLUHFWO\ RU YLD WKH
WHUPV XSRQ ZKLFK WKH 6HULHV BBB $XWKRULW\ LVVXHV LWV
KHUHRI DVVHQWV DQG DJUHHV E\ DFFHSWDQFH KHUHRI

7KH 6HULHV BBB $XWKRULW\ 1RWHKVH DRUHPDRIWKRQOL]HG
QRWHV LQ GHQRPLQDWLRQV GRG RO LQWHJUDO PXOWLSOH WK

7KLV 1RWH LV WUKDQVHDEDOE\RWKHUJULVRVHULHGS2ZQV
KLV DWWRUQH\ GXO\ DXWKRUL]HGWZUWWXQWR RIWLFHDLFG SV
RQO\ LQ WKH PDQQHU VXEMHFW WRIWKHHOLPDWJHVLRQRYD
,QGHQWXUH DQG XSRQ VXUUHQGHUPSRDQWLKLGV E1\RGHHOLYUHU\D
H[HFXWHG ZULWWHQ LQVWUXPHQWVRBBVHXQWKRHUL WU1HR[WKDQ
$XWKRULW\ 1RWHV RI DXWKRUL]HG SGDHQRPLQDWLRQHVHTX
GHOLYHUHG E\ WKHLU7UXVWHHGH2ZQHDWKHURWUQQHVFHKU KHUH

7KH 7UXVWHH PD\ WUHDW WKH UHJLVWHUHGU2KZHQUHURKH
SXUSRVHV ZKHWKHU VRKLDQGR WE HWRRLXVUHXHVRKQGOWQRHW7 E H DI
NQRZOHGJH RU QRWLFH WR WKH FRQWUDQG SDUQLQFSLDS\PHQRW W
EH PDGH RQO\ WR VXFK UHJLVWHUHSD2ZHQHWVDVKDEOHPRY HEHSU
HIIHFWXDO WR VDWLVI\ DQG GLVFKDUJHQWKHG LED\EWLKOLW\1RRY
RI WKH VXP RU VXPV VR SDLG

7KH 6HULHV BB $XWKRULW\ 1RWHXWDKRHUDWSDHGGDDURREO
D SOHDJH DQG DVVLJQPHQW RI D SRSRQWLRQW1KRHW7HDV[DGHGL5H
³6HULHV BB 'LVWULFFWE\1RHWUHWDLQV&DGOLMRULQFLVDVFKRPPRQQL
GLVWULFWVIDLQFHVRXQHWGXHRWLHSQDUDMLVFXOEHGY LQ WKH ,QG
³3DUWLFLSDQWV´ XQGHU DQG E\ DXUWKLRFOLW\ RIF6HPPWLQRFQ
6HFWLRQ RI &KDSWHU 3DUWYRYH'LQMLQWQ&RG7HWROHWK
&DOLIRUQLD DQGHSUPVVRDQWUHVRQGKWLQRGQDGXRSWSHGVEH WKH
ERDUG RI HDFK 3QLUQWLWLRSDQW6HHURWDMLVBBRR'LOYWFUWEWHO\ W
5HVROXWLRQV´ DQG SD\PHQWV ZSUKYULEMSHIQV WKKHUQHGWRQ
WR WKH SURYLVLRQV RI WKH ,QGHQWXUH RISHRUPRWWLRQJWKHK
RQ WKH FRQGLWLRQV DQG WHUPV VHW IRUWK WKHUHQ

7KH 6HULHV BB $XWKRULW\ 1RWHV UDHGHHQSRWLRXQESMUHFRU
6HULHV BB 3ULQFLSDO 3D\PHQW 'DWH

8SRQ VDWLVIDFWLRQ RI FHUWDLQXSUKRYULWL\RQDV\RLIVWXHH
PRUH DGGLWLRQDO VHULHV RI &DOLIRUQLD 6F,QRWHOUF)HQSDVQ
)LVFDO <HDU P6PFKQRLPWO\ RQQG&RUHUDLVWUMFRWHHMKHU ZLW
BBB $XWKRULW\ 1RWHV WKH ³$XWKRVUHFXU1GWEHVD SSDH\GD
DVVLJQPHQW RI D VHSDUDWH SRQGWHVWDV[VDXQHGUEHYFHHQUXHD
VFKRRO GLVWULFWWHV GEHRQWRBXQDRWXQWWFRRHGHFXFDPWLHQSDDWLFXOD
GHVFULEHG LQ WKH ,QGHQWXUH DZKLDFKQ\VDXSDSOVHQHWLKVH
BB 'LVWULFW 1RWHV VHFXULQJ WKH 66HHUULHHV BBBBB '$XWKRUEWV
EH SD\DEOH RQ DX SWDDU[LDWQGZLUMHYHVQRXWHHDQWLFLSDWLRQ

The following language is applicable only to Additional Authority Notes 8QGHU WKH ,QGHQWXUH WKH $XWKRULW\ KDV SUHBY LLRVXV RXLVVVXDQGRLQ 6FKRRO)LQDQFH $XWKRULW\ 6WDWH $LG6,FKRRO FDQG &RRPH &ROOHJH 'LVWULFW 'HIHUUDOV 6HWKLHV 6HUDJHJUH $XWLKRJU ZKLFK DUH SD\DEOHHGURP DDSQGHGHFRDQG DVVSDJUQPHQWRRO UHYHQXH DQWLFLSDWLRQ QRWHVGLVWXHGWEV FHRPPXLQLWDOE DQG FRXQW\ RIILFHV PRUHHGXSDDWLRQLQDUWKHG,QGHQEHXU VXSSOHPHQW WKHUHWR VRPH RI ZKLRWHD\VDHFXRLKQDYWKL 1RWHV ZKLFK 'LVWULFW 1RWHV PSULERHUSW\DREYHURVQXDKSWDL DQWLFLSDWLRQ QRWHV @

5HIHUHQFH LV KHUHE\ PDGH WR WKHQ,QGHQWXUHSVOWK IURP WLPH WR WLPH IRU D GHVFRULSWJLRVQ RIEWKLHJDWLLRQ LPPXQLWLHV RI W7KHXWWHRDQG\WKHUHJLWKHUHWKHUHWK2RQLW\ 1 WKHUHXQGHU LQFWKHLQDJWSXUHWDVHXFXDUWQWQRGSWKRHYLVLRQ RI WKH $XWKRULW\ 1RWHV DQG WKHWLRQRIWWKH $XWKRULW\

(DFK 3DUWLFLSDQW KDV FHUWLILHG WKDW XOUHG FEW
&RQVWLWXWLRQ WHGRI &DOLIRUQLD &DOLIRUQLD WKH 3DUWLFLSDQW
H[LVW WR KDYH KDSSHQHG DQG WR KDYH EHHQ LSVHUXIDQUPHH
BBB 'LVWULFW 1RWHV GR H[LVW KPDHYGH LKQDSSXHQWHGP HQGRKDYD
DV UHTXLUHG E\ ODZ DQG WKDW KLHUV ZLHUKLHDVOHBBW'KHWULLQFG
REOLJDWLRQV RI VXFK 3DUWLFLSDQWE HGREH\VWQKRHW&RQFVHWLGWD
RI WKH 6WDWH RI &DOLIRUQLD

,W LV KHUHE\ FHUWLILHG DQG DUWLRQN DFWVWKRQJ UI
H[LVW WR KDSSHQ DQG WR EH SHUXRUUPLQG RSUWHFHGLHVXWLQJ
GR H[LVW KD ”€ €p0DQ 9•p° ”€S KRUPHFWLUVp°pÀ°0Å@kpRDVWLF5P€

,1 :,71(66 :+(5(2)WKLV 1RWH KDV EHHQ GDWHG WKH GDW
DQG KDV EHHQ H[HFXWHG DE\ WKH KHDQLQDU RUMRH $XWKRU

&$/,)251,$ 6&+22/),1$1&(
$87+25,7<

%_____

>)250 2) &(57,),&$7(2) $87+(17,&$7,21 $1' 5(*,675$7,21@

$XWKHQWLFDWHG DEVXUKH RIDQQ DORWLWQH 7UXVWHHRUQ W
IROORZLQJ GDWH BBBBBBBBBBBBBBBBBB

86 %$1. 1$7,21$/ $662&,$7,21 DV
7UXVWHH

%_____
$XWKRUL]HG 2

>)250 2) $66,*10(17@

$66,*10(17

)RU YDOXH UHFHLYHG WKH XQGHUVLJQHG WUGRVHU KX
BBBBBBBBBBBBBBBBBBBBBBBBB ZKRVH WDPLGHQWLILFDWLRQ
ZLWKLQ $XWKRULW\ 1RWH DQG GR VHVDQGHUDHS\RLQWHYRFDW
WUDQVIHU VXFK $XWKRULW\ 1RWH RQXWOHSRZHUVWHUXRIVW
SUHPLVHV

'DWHG

6,*1$785(*8$5$17((' %<

1RWH 7KH VLJQDWXUH V WR WKLVWKHVLJQPHQWDVXZULWR
IDFH RI WKH ZLWKLQ $XWKRULW\ 1RWHUDQVHYHUR\USHQWD
DQ\ FKDQJH ZKDWVRHYHU DQG WKH\VLJQHOLXUHOV JXD
LQVWLWXWLRQ

(;+,%,7 %

)250 2) 5(48,6,7,21)520 &2676 2) ,668$1&( )81'

8 6 %DQN 1DWLRQDO $VVRFLDWLRQ
2QH &DOLIRUQLD 6WUHHW 6XLWH
6DQ)UDQFLVFR &DOLIRUQLD
$WWQ >0DU\ :RQJ@

5H &DOLIRUQLD 6FKRRO)LQDQFH $XG),LWHDOF<HSDU1R
6FKRRO DQG &RPPXQLW&'HOHUJDOV 6HULHV >B

5HTXLVLWLRQ 1R BBBBB

7KH XQGHUVLJQHG DXWKRUL]HG RIILFHU $XWKRU>&
>0XQLFLSDO $GYLVRU@ KHUHE\ SUHWHQW&RWWLV 5HTXLVLD
WHUP LV GHILQHG WKDW FHUWDLQ ,QGHQWXUHGGHDWHXUHV
EHWZHHQ 8 6 %DQN 1DWLRQDO 7UXVWRUHQLD 6FKRRO)LQDQFH
WKH ³$XWKRULWQ´ ZLWKFWQHFDSWKH ³6HGULLHQDBBQ$XWKRU

$WWDFKHG DV 6FKHGXO\HH,VUDPRZK&RVQYRLF,HVXI
KDYH EHHQ UHFHLYHG FRSLHV RIZKL,FK &RX DWWDFKHG\W
PDNH SD\PHQW E\ FKHFN RU ZLUH WHTXHVWURILQKHFURVSHQ
WR VDLG SHUVRQV LQ WKH DPRXQWDPRXQWVFHGHQWLQRG L
1RQH RI WKH LWHPV OLVWHG LQ 6FKHGXOHD,KDYHSUHVHQW
FKDUJH DJDLQVWRWWKH6HUVLHXDBBH&$FFRXQW,VRXDQFH &XQG

'DWH BBBBBBB

%_____
$XWKRUL]HG 2IILFHU
>&DOLIRUQLD 6FKRRO)LQDQFH
>0XQLFLSDO $GYLVRU@

6&+('8/(,

3$<((6)520 6(5,(6 BBB 7B &2)6,668$1&($&&2817

7KH IROORZLQJ FRVWV DUH WR EHQ SDLG 3DEHKDOI RQ &RVWV RI ,VVXDQFH 6HUHOD WLQJ $XWKRULW\ 1RWHV BBB 'LVV IURP DPRXQWV GHSRVLWHG LQ WKH 6HULHV BBB &RVWV RI)XQG IRU WKH 6HULHV BBB $XWKRULW\ 1RWHV

>6HH $WWDFKHG@

% 6FKHG

(; + , % , 7 &

7KH UHSUHVHQWDWLRQV RI WKH 3DUWLFLSDQWV DQG WKH
WKH 3DUWLFLSDQW SURYLGLQJ DQ HVWDWH ERUURZLQJ IXQ
VDOH RI RQH RU PRUH 6HULHV RI LRQ 7UXVW DQG WKH
DXWKRUL]LQJ SDUWLFLSDWLRQ LQ D[WKLHRÚRJUDPPWXKH 3DQG
PDWHULDO UHSHFWV DV WKRXJK PDGH WR RU KDG EHHQ
UHSUHVHQWDWLRQV DUH WUXH DQG FRUUHFW GDWH

$V RI WKH GDWH KHUHRI QR HYHQWV KDYH RFFXUUHG
(YHQW RI 'HIDXOW XQGHU WKH 3DUWLFLSDWLRQ 5HYHQXH
WKH UHTXLUHPHQWV RI 6HFWLRQ RU ERWK

>$V RI WKH GDWHHFKHDEHIKDVHQ&RXQW\6HWWKH
RI 6FKRROV WKH &RXQW\ %RDUG RI (GXFDWLRQ
KDV QRW UHFHLYHG IURP WKH &RXQW\ 6XSHULQWHQG
,QVWUXFWLRQ DFDGHJDWLRQ DSSURSULDWLRQ
RU E D FHUWLILFDWHV RSSRUWXQLWLHV
WKH FHUWLEL\FDWHR3QRQWDKLSDQWHDSWKLRQEHG6HULHV RI $XV
ZHUH LVVXHG H[FHSW WKDW LI VXFK 3DUWLFLSDQW
6XSHULQWHQGHQW RU 6WDWH 6XSHULQWHQGHQW RI
3DUWLFLSDQW¶V 1RWH DQG DQ\ $GGHQGXP 1RWH
GRZQJUDGH LV WR D TXDOLILHG FHUWLILFDWLRQ @

'DWHG BBBBBBBBBB

BBBBBBBBBBBBBBBBBBBB
%\ BBBBBBBBBBBBBBBBBBBBBB
$