

+XUULFDQH +DUYH\ 6FKRRO)LQDQFH ,VVXHV
1RYHPEHU

| <p>\$,VVXH 5HVSQRQH</p> | <p>% &XUUHQW \$FWLRQ 1H W 6WMSLPDWHG &RVVV</p> | <p>& (LHQQLDO 7RWDO (VWLPDWHG &RVVV) < (VWLPDWHG &RVVV) \$XW</p> | | <p>7(& † G \$YHUDJH 'DLO\ \$SWHQGDQFH</p> |
|---|--|---|--|---|
| <p>(QUROOPHQW 5HODWHG \$GMXVWPHQWV</p> | | | | |
| <p>,QFUHDVHG HQUROOPHQW GXH WR WKH ± VFKRRO \HDU ,V WKLW FXUUHQW LQXVWURJUDP WR <HV ,VVXHDQ\ GLVWULFWV KDYH QHZO\ GLVSODFHG IURP WKH WKLW KRPHXG HVRM +XUSLOFDOR 7(\$ +DUYH\ 7(\$ GRHV QRW QRUPDOO\ 6FKRRO 3URJUDP)GGLRUPWGDGUXWULFWV GXULQJ WKH VFKRRO \HDU ZKHQ WKHUH DUH HQUROOPHQW ,QVWLPDWHG GXH WR HQUROOPHQW FKDQJHV DUH SURFHVV RFFXUULQJ LQ IROORZLQJ WKH VFKRRO \HDU 6ROXWLRQ VULFWV FDQVHFBVYHLQWKHLU VWDWH DLDQing WKH ± VFKRRO WKH\ KDYH LQFUHDVHG DYHUDJH GDLO\ 7(\$ 7R GDWH VDYGLVSLFWGIRU ZLWK D WRWDO RI '\$ 7KHVH ,6' &ROOHJH 6WDWLRQ ,6' &XHUR ,6' *UHJRU\ 3RUWODQG ,6' 6SOHQGRUD ,6' DQG 9LFWRULD ,6'</p> | <p>V(\$GLVWULFWVSDDFHGPHQWRIQFKRRO GLVWULFWV %HJLQQLOJZLWK WKH 2FWREHU)63 IRUPXODV ZLOO EH V KLIWHG IURP)< SD\PHQW 7(\$ ZLOO LQFUHDVH WKH 7KLV 7KLVW HQURW WJZ LQO EH DPRXQW RI VWDWH DLG WR GLVWULFWV WRUIWKGIURP)< WR)< WLFROOLXP EHFDFXVH WKH VWDWH LV OHJDQO\ REOLJDWHG WR IXQG WKH 7(\$ 63 IRUPXODV IRU VVXHGHWVHWV D\ EH WKH GLWULFWV XDOO DGGLWLRQDO FRVWV WR WKH VWDWH DWWHQG 7(\$ LV MXVW VREWLQJ WKH FRVW IURP)< 8HSWHPEHU VHWWOH XS WR)<</p> | | | |
| <p>/RVV RI IXQGLQJ GXH WR VVXGHQW GXULQJ WKH ± VFKRRO \HDU ,V WKLW FXUUHQW LQXVWURJUDP WR DYHUDJH GDLO\ DWWHQGDQFH '\$ GHWHUPLQLQJ)63 IRUPXOD IXQGV RQ D SHU '\$ EDVLOV DRVW RI '\$ VFKRRO \HDU ZRXOG QRUPDOO\</p> | <p>HQUROOPHQW ZLWV LQXVWURJUDP VFKRRO GLVWULFWV DV 7HDKRSORVH V IXQGLQJ 7(\$ ZLOO FRQLQXH WR PDNH IXOO)63 IRUPXOD SD\PHQWV WR DOO VFKRRO GLVWULFWV DQG UHTXHVWLQJ LWDPDMRQGRSQRHQJLWK ± VFKRRO WKH ± 7(\$ LVVXHG D VVXWLO WKH IROORZLQJ To the Administrator Addressed Letter SURYLGLQ</p> | <p>HQURW SUDFWLPH PLOOLRQHGRQ D PLOOLRQ PLG UDQJH EHVW HVWLPDWH FRPSRVHG RI SD\PHQW RU FXUUHQWO\ DQWLFLSDWHG LQ VWDWH EXGJHW PLOOLRQ VWDWH DLG WR VFKRRO GLVWULFWV GXULQJ</p> | | <p>RQ † G \$YHUDJH 'DLO\ \$SWHQGDQFH</p> |

J DQ\$ KROG

| <p>\$,VVXH 5HVS RQVH</p> | <p>% &XUUHQW \$FWLRQ 1H W 6WMS VLPDWHG</p> | <p>& &RVWV(VWLPDWHG</p> | <p>(&RVWV &RVWV HJDO \$XW</p> | <p>(LHQQLDO 7RWDO (VW &RVW HJDO \$XW</p> |
|---|---|--|--|---|
| <p>)RU &KDSWHU D GRWWURIFV IXQ 6HSWHPEHU)< GXULQJ))RU &KDSWHU LGFVMDVHMLQ DE WLPLQJ RI UHFDSWXUH SD\PHQWV GDWD LV UHFHLYHG E\ 7(\$,Q DQWLFLSDWIRQ 6RIWGV QJ VFKRRO GLVWULFWV PLJKW UHGXFH UHGXFWRQV GXULQJ WKH ± 6ROXWLS QZLOO KROG VFKRRO GLVW VFKRROV PHHQWIDDFHMLQV LROVWK ORVV RI \$\$ 7KLV ZLOO WQERWUWR VFKRRO SHUVRQQKH WKJRXJKRW 7KH FRPPLVLRQHUHZG GO WRLOG W VFKRROV KDUPOHVV WR D SURMHFWHG XVLQJ D WKUHH \HDU DYHUDJH WUHQG WKURXJK ± VFKRROVMDWKLV SURMHF ERWK SHUFHQW KLJKHU DQG \$ \$ KLJ ± OHJLVODWLYH SURMHFWLRQV ,Q WK OHJLVODWLYH SURMHFWLRQV ZLOO EH WLPH DGMXVWPHQW IRU WKH ±</p> | <p>KDUPOHVV IRU LQLWLDOO\ 63GHWLWLOHH &SVFKRRO GLVWULFWV FKDUWHU VFKRROV WKDW KDG GDPDJH WR DW OHDW RQH IDFLOLW RU KDG LQVWUXFWLRQDO IDFLOLW WKDW ZHUH FORVHG IRU RU XUWHV FKH XSDWHG ZDLYHU GDV VFKRROV WKH WFKRROV LKWSU VFKRROV W FRPSOHWH WKH *RYHUORUV &RPPLVLRQ WR LFWY DQG HFDUWHU ZLOO WQERWUWR D \$ZLOO FQX OHJLVODWLYH TXDOLILQJ GLVWULFWV KHOG KDUPOHVV IRU \$ \$ ORVVHV FKDUWHU SURMHFWHG \$ \$ QXPEHU FDOFXODWHG IURP WKH ± SURMHFWLRQ LV \$ \$ KLJKHU WKDQ WKH ODWWHU FDVH ± ZLOO EH XVHG 7KLV LV D RQH VFKRRO \HDU</p> | <p>6HSWHPEHU)<)63 VHWWOH XS 7(\$ ZRXOG KDYH WR UHTXHVW D VXSSOHPHQWDO DSSURSULDWLRQ IRU WKH VWDWH DLG SRUWLRQ GXULQJ WKH WK 7H[DV /HJLVODWXUH</p> | | |

\$PRXQWV DUH HVWLPDWHV EDVHG RQ A(\$KENMEWHQV WLODZDOLFRQVWDOHQH) HGLJLDOO(PPHBUHQF\ JHQDJH)PHQWV \$LPXUVHPHQWV)RU)< 7(\$ ZLOOXSDXHPWVDDO DSSURSULDWLRQ GXULQJWKHGHIIHWKQFHIDEMQAZHMQDWWXUDHRRRUR IXOO\ IXQG WKHRXQW XODSWR Q U) LQ WKH *HQHUDO \$SSURSULDWLRQV \$FW

| <p>\$</p> <p>,VVXH 5HVSQRQH</p> | <p>%</p> <p>&XUUHQW \$FWLRQ)<</p> | <p>&</p> <p>(VWLPDWHG)<</p> | <p>(</p> <p>(VWLPDWHG %LHQQLD (VW &R) /HJDO \$XW</p> | | |
|--|---|-------------------------------------|--|--|--|
| <p>± 6FKRRO <HDU 7D[,VVXHV</p> | | | | | |
| <p>/RVV RI PDLQWHQDQFH DQG RSHUDWLRQV 0 2 SURSHUW\</p> <p>WD[UHYHQXH GXULQJ WKH ± VFKRRO \HDU</p> <p>,V WKLW FXUUHQW UHODUHG WR WKH VWDWH"</p> <p>1R</p> <p>,VVXH 2 ORFDO SURSHUW\ WD[UHYHQXH KHOSV VFKRRO</p> <p>GLVWULFWV SDQWRUQV RSHUDWLRQV 6FKRRO</p> <p>GLVWULFWV PD\ HSHQGHQ RSHUDWLRQV SURSHUW\ WD[</p> <p>UHYHQXH GXULQJ WKRRO±\HDU GXH WR</p> <p>WD[\HDU SURSHUW\ UHSSUDLVDOV ZKLFK ZRXOG GHFUHDVH</p> <p>SURSHUW\ YDOXHWD[UHYHQ\HG XQFROOHFWHG</p> <p>WD[FROOHFWLRQV</p> <p>7(\$ FXUUHQW\ HVWLPDWHV WKH ORFDO 0 2 WD[UHYHQXH FRXOG</p> <p>SRWHQWLDOO\ GHFOLQH E\ DSSUR[LPDWHO\ PLOOLRQ GXH WR</p> <p>GHOLQTXHQFLHV</p> <p>7(\$ LV DZDUH RI LWLFWLRQV GLKDYL YRWHG WR</p> <p>UHDSSUDLVH WKHLU WD[DEOH SURSHUW\ YDOXH WKH\ DUH</p> <p>&RQRH ,6' .DW\ ,6' /D 3RUWH ,6' 0RQWJRPHU\ ,6'</p> <p>DQG 6SULQJ %UDQFK ,6'</p> <p>7(\$ ZRXOG QRW QRDVDOOHLQF ± VFKRRO</p> <p>\HDU)63 IRUPXODPDNHXSDEG WQ\ GHFUHDVH LQ</p> <p>WD[\HDU ORFDO SURSHUW\ WD[FROOHFWLRQV</p> <p>7(\$ SURSRVDOOHFW LQIRVFWLRQV GLVWULFWV</p> <p>DERXW WD[\HDU FROOHFWLRQ ORVVHV DQG SRWHQWLDOO\</p> <p>ERUURZ PRQH\ IURP)< WR SURYLGH VWDWH DLG WR VFKRRO</p> <p>GLVWULFWV GXULQJ VFKRRO \HDU WR PDNH XS IRU</p> <p>ORVW ORFDO SURSHUW\ WD[UHYHQXH</p> <p>1RWH &KDUWHU VFKRROV GR QRW OHY\ WD[HV</p> | <p>WLRQV 0 2 SURSHUW\</p> <p>VFKRRO \HDU</p> <p>WKH VWDWH"</p> <p>ORFDO SURSHUW\ WD[UHYHQXH KHOSV VFKRRO</p> <p>RSHUDWLRQV 6FKRRO</p> <p>SURSHUW\ WD[</p> <p>UHYHQXH GXH WR</p> <p>UHDSSUDLVDOV ZKLFK ZRXOG GHFUHDVH</p> <p>XQFROOHFWHG</p> <p>FRXOG</p> <p>ORFDO 0 2 WD[UHYHQXH FRXOG</p> <p>PLOOLRQ GXH WR</p> <p>YRWHG WR</p> <p>DEOH SURSHUW\ YDOXH WKH\ DUH</p> <p>0RQWJRPHU\ ,6'</p> <p>VFKRRO</p> <p>GHFUHDVH LQ</p> <p>FROOHFWLRQV</p> <p>GLVWULFWV</p> <p>ORVVHV DQG SRWHQWLDOO\</p> <p>VFKRRO</p> <p>\HDU WR PDNH XS IRU</p> <p>UHYHQXH</p> <p>OHY\ WD[HV</p> | | | | |
| <p>ORVV RI LQWHUHVW DQG VLQNLQJ KDUWHR QP \H\ EDRp0i Hrt€•A Xpp WULFW SØPÄ€YH VFZ PRQH VFK\€U,• P0•0€AG ÄDQ</p> | | | | | |

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| § ,VVXH 5HVSQRQH | % &XUUHQW \$FWLRQ 1H | & W 6WMSVLPDWHG &RVVV(VWL | ') LHQQLDO 7RWDO \$XW | % (VW &RVW HJDO |) \$XW |
|---|-------------------------|--|---------------------------|--------------------|--------|
| ,VVX7KH ORFDO , 6 SURSHUW\ WD[UHYHQXH SURYLGHV XQGV IRU WKH SD\PHQW WRIGWKKW UGHFWW WVDXH WR ILQDQFH IDFLOLW\ QG7RAKAP FDY\$USV D DV%ISURGLD 6",.&w@ð€Àp | | W FDS F íW @IGcX`ÀG...%€\VL TSDQ DS •À | | W•À "oHDV VÐVL | |

| \$ V VXH 5HVSRQVH | % & XUUHQW \$FWLRQ 1H W 6WMSVLPDWHG | & R VVV(VWLPDWHG | () LHQQLDO 7RWDO \$XW | |
|---|--|--|---------------------------|--|
| /RFDO WD[LQFUHDVHV WR LQWHUHU GHEW VHUYLFH GXULQJ WKH ± ,V WKLV FXUUHQW LQWHUHQV\ WR 1R ,VVXWKH , 6 WD[UHYHQXH SURYLGHV WKH GHEW WKDW GLVWDQFH WDFLOV FDSLWDO H[SHQG\ W XVWNLFW KRRO ORVVHV LQ , 6 ORFDO SURSHUW\ WD VFKRRO \H DU GXH WR UHSSUDLVDOV ZUKH B K H Z B Q G H W F UHYHQXH DQG GHOD\HG XQFRO 7(\$ FXUUHQW O\ H V F D O W G W W D K B H Y SRWHQWLDOO\ GHFOLQH E\ DSSUR[L UDQJH HVWLPDWH ODQ\ VFKRRO GLVWULXWLVH W D W F E W D L WD[HV GXULQJ WKKRRO ± \H DU WFR FR Y H D U D Q Q O R V H D S S U D L V D O H I R U W V 7(\$ RI ORFDO SURSHUW\ WD[UHYHQXH F R X O G V E K H U G S S U R D L G H D Q Q D O \ V L V W R 7D[HV FDQ EH LQFUHDVHG ZLWKRXX W D K U R O H J E D G W H O H F W Q R G E L U X W K H R I \H DU D I W H U D G L V D V W H U 'HSHQGLQJ RQ WKH W\SH RI ERQG V R P H V F K R R O G L V W U L F W V P D \ QRW EH DEOH WR UDLVH , 6 WD[HV D Q G Z L O O K D Y H W R X V H W K H L U DYDLODEOH IXQG EDODQFH RU RWKHU DYDLODEOH UHYHQXH VXFK DV 0 2 D Q G R U V H H N U H I L Q D Q F L Q J R S W L R Q V 1RWH & K D U W H U V F K R R O V G R Q R W O H Y \ W D [H V | VFKRRO GLVWULXWLVH WDFLOV WFRFRRO HHLU , 6 WD[UDWHKRO \H DU WDF WKH V W D W H V F K R R O L M D X H W R D E R Y H HQVXUH WKH\ KDYH DGHTXDWH IXQG WR PDNH ERQG SD\PHQWV IXQG V I R U S D \ P H O W R I W\SH RI ERQG H S H Q L G E R R O G L V W U L F W V P D \ Q R W E H H S H U L L W O F F H K D Y H W R X H G X V L Q 6 W K H W D I \ X D U S U R S H U W Y D O G H V W D Q F H R U R W K H U D Y D L O D E O H U H V H Q X H V X F K D V 0 2 D Q G R U H F W H A N U H I L Q D Q F L Q J R S W L R Q V 7(\$ ZLOO FROOHFW GDWD IURP GLVWULFWV WR GHYHORS D SURMHFWLRQ RI ORVW SURSHUW\ WD[UHYHQXH G X O R F D W K H ± V F K R R O Y H D U D Q Q O R V H D S S U D L V D O H I R U W V 7(\$ F R X O G V E K H U G S S U R D L G H D Q Q D O \ V L V W R W D K U R O H J E D G W H O H F W Q R G E L U X W K H R I | FDXVHG E\ WKH KXUULFDQH GXULQJ WKH WD[\H DU HG LQ WKH DU WD[7KH OHJLVODWXUH FRXOG FRQVLGHU RSWLRQO HWIRVH ONSXUH PLWLJDWH WKH DOWR KIOSD FHOVWPHU LQFUHDVH +RZHYH RSWRROV WFDUDQWHHG %RQ WD[UDWHV DUH UHTXOSHG WRLIWH DGRSWHG LQ WKH WKPH WUDRI 7\$ T LQFUHDVH (OHFWLRQ WR 5DW +RZHYHU , 6 UDWHV DUH DGRSWHG LQ WKH VXPPHU RI | | 7(& † %RQGV DQG 7D[(OHFWLRQV (OHFWLRQV WFDUDQWHHG %RQ WRLIWH 7\$ T (OHFWLRQ WR 5DW 6FKRRO 7D[HV , 6 WRLIWH LQ WKH VXPPHU RI |

\$PRXQWV DUH HVWLPDWHV EDVHG RQ A(\$ KENNEWHOV WLOV RZLHROV WDFLOV H) HCHLJD EO(HHRIUHQF\ JHDOJH)PHSQWV \$LPXUVH PHQWV)RU)< 7(\$ ZLOOXSSOXIPVWDDO DSSURSULDWLRQ GXULQJWKHGHHHWKQFHIDMGAZHIOQDWWXLDHNRALR IXOO\ IXQG WKHRIXOW XCDSU R Q U) LQ WKH *HQUHO \$SSURSULDWLRQV \$FW

| <p>\$</p> <p>,VVXH 5HVSQRQH</p> | <p>%</p> <p>&XUUHQW \$FWLRQ 1H</p> | <p>&</p> <p>W 6WMSVLPDWHG &RVVV(VWLPDWHG</p> | <p>'</p> <p>&RVVV(VWLPDWHG</p> | <p>(</p> <p>LHQQLDO 7RWDO</p> | <p>)</p> <p>7RWDO \$XWK</p> |
|--|--|--|------------------------------------|-------------------------------|-----------------------------|
| <p>)DFLOLWLHV ,VVXH</p> | | | | | |
| <p>)DFLOLWLHV GDPDJH DW &KDSWHU ,V WKLV FXUUHQW UHFDSDXUH WR WKH VWDWH" <HV LQ IRUJRQH UHFDSDXUH IXQGLQJ WR WKH 6WDWH ,VVXH &KDSWHU VFKRRO GLVWULFWV SURSHU\ GDPDJH 7KHVH GLVWULFWV FDQ DOUHGXJ DSSO IRU D UHGXFWRQ HOLPLQDWLRQ LQ WKHLU UHFDSDXUH FRVW IRU WKH DQG ± VFKRRO IRU IDFLOLW GDPDJH FRVW IRU YHUG E LQVXUDQFH RU)(\$,PSRUWDQWO\ KRZHYHU GLVWULFW IRU FRVW IRU</p> | <p>GLVWULFWV WR WKH VWDWH" 7UHDVXU\ ±</p> | | | | |
| | | | | | |

| <p>\$</p> <p>,VVXH 5HVSQRQVH</p> | <p>%</p> <p>&XUUHQW \$FWLRQ 1H[W 6WMS/VLPDWHG</p> | <p>&</p> <p>&RVVV(VWLPDWHG</p> | <p>(</p> <p>%LHQQLDO 7RWDO</p> <p>(VWV &RVV/HJDO</p> | <p>)</p> <p>\$XWK</p> |
|---|--|--|--|-----------------------|
| <p>\$GGLWLRQDOO\ WKH OHJLVODWXUH</p> <p>DV SDUW RI D VXSSOHPHQWDO DSSURSULDWLRQV</p> <p>7H[DV /HJLVODWXUH</p> | <p>FRXOG SURYLGH DGGLWLRQDO IXQGLQJ</p> <p>GXULQJ WKH WK</p> | | | |

\$PRXQWV DUH HVWLPDWHV EDVHG RQ #(\$%&'()*+,-./:;<=>?@A B C D E F G H I J K L M N O P Q R S T U V W X Y Z [\] ^ _ ` a b c d e f g h i j k l m n o p q r s t u v w x y z { | } ~)RU)< 7(\$ ZLOOXSDXIPWQVDDO DSSURSULDWLRQ GXULQJ WKH 6HIIHW KQFH DEKAW HQIDWVWUDH R RUR IXOO\ IXQG WKHRXQW XODSU R Q U) LQ WKH *HQHDO \$SSURSULDWLRQV \$FW

| <p>\$,V VXH 5HVS RQVH</p> | <p>% &XUUHQW \$FWLRQ)<</p> | <p>& (VWLPDWHG)<</p> | <p>' (VWLPDWHG</p> | <p>(%LHQQLD (VW &R\</p> | <p>) /HJDO \$XW</p> |
|--|--|----------------------------------|------------------------|--------------------------------------|-------------------------|
| <p>2WKHU)XQGLQJ ,V VXHV</p> | | | | | |
| <p>6WXGHQWV QHZO\ HOLJLEOH WR JHQHUDWH 6WDWH &RPSHQVDWRU\ (G&FDVLRQ) IRUPXOD IXQGV ,V WKLW FXUUHQW\ XDUOHG JDOO WR WKH VWDWH" <HV ,V VXHV IURP WKH 7H\DV 'HSDUWPHQW RI \$JULFXOWXUH '7'\$ 1DWLRQDO 6FKRRO IRUPXOD IXQGV UHGXFHG SULFH OXQFK LQGLFDWHV WKDW GLVWULFWV ZLOO KDYL PRUH VWXGHQWV TXDOLILQJ IRU WKH)63 IRUPXOD 6&(ZHLJKW GXULQJ WKH ± DQG ± VFKRRO \HDUV 6ROXWLRQ WKH ± VFKRRO \HDU 7(\$ HVWLPDWHV DGGLWLRQDO VWXGHQWV ZHOOR\ ZHLJKW LQ WKH VFKRRO ILQDFH W\WHV ZLWK FXUUHQW SUDFWLFH 7(\$ ZLOO XSGDWH LWV 6&()63 UHODWHG IRUPXODV LQ)HEUXDU\ RI \$VLPDWHG GLVWULFWV ZLOO UHF RJQL]H LQFUHDVHV WR VWDWH DLG IRU 6&(LGHQWLILHG VWXGHQWV EHJLQQLQJ ZLWK WKHLU 0DUFK)63 SD\PHQW</p> | | | | | |
| <p>6WXGHQWV QHZO\ IRQL\$UH . ,V WKLW FXUUHQW\ XDUOHG JDOO WR WKH VWDWH" <HV ,V VXHV KUHH DQG IRXU \HDU ROG FKLOGUHQ PD\ EH QHZO\ HOLJLEOH IRU IUHH SUHNLQGHUJDUWHQ LI WKH\ DUH GHHPHG HGXF DWLRQDOO\ GLVDGYDQWDJHG DQG RU KRPHOHVV IRU WKH ± VFKRRO \HDU DQG EH\RQG °0 VFK2RO <HDPS4 P0@ À €0P€P pÂ ð0 Pp•%ÀEHWVD pÂ ð0@ pÂ!ð0 \ B •TT €0p` @YÀXi@</p> | | | | | |

| ,VVXH 5HVSQRVH | | | | | |
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