– % _— $ Q R W K H U L P S R U W D Q W D V S H F W R I F R P E L Q H G W U D Q V
F R P S R V L W H F R Q W U D F W L Q D Q G 0 $ S D F N D J H F R P S R V L W H F R Q W U D
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- Intelligence loading:

,QWDQJLEOH DVVHW RZQHUVKLS

,W LV DVVXPHG IRU WKH SXUSRVH RI WKH H[DPSOH WKDW

- % &R KDV HVWDEOLVKHG D UHVHDUFK DQG GHYHORSPHQ
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% $ L V N V D U H D Q L Q K H U H Q W S D U W R I F R P P H U F L D O
X Q G H U W D N H F R P P H U F L D O D F W L Y L W L H V L Q R U G H U W R S X U V X H
W K H H I I H F W R I X Q F H U W D L Q W \ R Q W K H R E M H F W L Y H V R I W K H E X
D V V R F L D W H G Z L W K K L J K H U H [S H F W H G U H W X U Q V ± S U R I L W V
D V V R F L D W H G Z L W K F R P P H U F L D O R S S R U W X Q L W L H V L I W K H \ D Q
D U H L Q K H U H Q W O \ X Q F H U W D L Q F R V W V P D \ E H
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% %KLOH LW PD\ EH LPSRVVLEOH WR HOLPLQDWH HFRQRPLFDOO\ VLJQLILFDQW ULVNV DUH FHQWUDO WR WKH VX FRPPHUFLDO HQWHUSULVHV JHQHUDOO\ GLVFORVH WKHLU RSSRUWXQLWLHV DQG WKHLU LQKHUHQW ULVNV

% &Q D WUDQVIHU SULFLQJ DUUDQJHPHQW LV

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% ,W *VKRXOG EH QRWHG WKDW WKH ILQDQFLDO FDSD
WKH ILQDQFLDO FDSDFLW\ WR EHDU WKH IXOO FRQVHTXHQFH
ULVN EHDUHU PD\ KDYH WKH FDSDFLW\ WR SURWHFW LWVHOI
H J E\ KHGJLQJ WKH ULVN RU LQVXULQJ DJDLQVW WKH LPS
FDSDFLW\ WR DVVXPH D ULVN LV QRW E\ LWVHOI VXIILFLHQW
QRW QHFHVVDULO\ PHDQ WKDW WKH KLJKO\ FDSLWDOL]HG SDU

% ,W +LV UHOHYDQW WR PHQWLRQ KHUH WKDW LQ D P
PD\ ZRUN WRJHWKHU WR H[HUW FRQWURO RYHU WKH ULVNV RI
DPRQJ WKH DVVRFLDWHG HQWHUSULVH7KH PDWUEDQV[IWUHSPHLF\LQ
DV WR ZKLFK HQWLW\ DVVXPHV FHUWDLQ ULVNV VKRXOG WK
FLUFXPVWDQFHV RI HDFK FDVH

67(36 $QDO\VLQJ WKH LQIRUPDWLRQ JDWKHUHG WR GUDZ F

% 6WHSV WR RI WKH ULVN DQDO\VLV IUDPHZRU
HDUOLHU VWHSV WR GHWHUPLQH WKH DVVXPSWLRQ RI ULVN IR

% ,Q $FDVHV ZKHUH WKH FRQWUDFWXDO DVVXPSWLRQ
FRQGXFW LQFOXGLQJ DQ DOLJQPHQW ZLWK WKH H[HUFLVH RI
WKH DQDO\VLV ZLOO EH VWUDLJKWIRUZDUG 7KDW LV ZKHUH
FRQWUDFW L H RQH WKDW LV IROORZHG LQ SUDFWLFH 67(3
ILQDQFLDO FDSDFLW\ 67(3 LL LW ZLOO EH UHJDUGHG D
XQGHUVWDQGLQJ DQG GHILQLQJ WKH WUDQVDFWLRQ DQG SUL
DQRWKHU SDUW\ DOVR SHUIRUPV FRQWURO IXQFWLRQV RU
GHWHUPLQDWLRQ RI WKH DVVXPSWLRQ R,IQUL\RRHXQGHUVWKLHVW
EH FRQWUDFWXDOO\ VKDUHG E\ PRUH WKDQ RQH SDUW\

% ,Q RWKHU FDVHV ZKHUH WKH FRQWUDFWXDO D
H[HUFLVH RI FRQWURO RU WKH ILQDQFLDO FDSDFLW\ WR DVVX
VWHS 6WHS 7KDWWRQZLKHUXDOSDUW\VLJQHG D ULVN RU
FRVWV RI WKH ULVN ZKHQ LW PDWHULDOLVHV 67(3 L EXW
ILQDQFLDO FDSDFLW\ 67(3 LL LW FDQQR,WQVEHHDJDWKHG
ZKLFK GRHV H[HUFLVH FRQWURO RYHU WKH ULVN DQG KDV WK
WKH ULVN-,I6P(XOWLSOH DVVRFLDWHG HQWHUSULVHV DUH LGHQ
WKH ILQDQFLDO FDSDFLW\ WR DVVXPH WKH ULVN WKHQ WKH
RU JURXS RI HQWHUSULVHV H[HUFLVLQJ WKH PRVW FRQWURO
GHILQH WKH WUDQVDFWLRQ DQG SULFH L-W7KRURWKHQSHU
SHUIRUPLQJ FRQWURO DFWLYLWLHV VKRXOG EH UHPXQHUDWH
RI WKH FRQWURO DFWLYLWLHV SHUIRUPHG

-% ,Q H[FHSWLRQDO FDVHV LW PD\ EH WKH FDVH
FRQWURO DQG KDV WKH ILQDQFLDO FDSDFLW\ WR DVVXPH WKH
LQGHSHQGHQW HQWHUSULVHV DQG WKHUHIRUH D WKRURXJK
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Q R W D J U H H W R X V H W K L V D V D E D V L V I R U E H Q F K P D U N L Q J W K

$OO WKHVH WKUHH PDUNHW VKDUH VWUDWHJLHV XVH WZR IXQ

- /RZHULQJ WKH SULFH RI WKHLU SURGXFWV RQ D WHPSR SURGXFW WR EHFRPH H[WUHPHO\ FRPSHWLWLYH LQ WKH
- ,QFUHDVLQJ WKHLU PDUNHWLQJ DQG VHOOLQJ H[SHQVH SURPRWLRQ DFWLYLWLHV OLNH RIIHULQJ UHEDWHV IUH DQG LQFUHDVHG PDUNHWLQJ DY@@@

IRU ZKLFK D ILQDQFLDO LQGLFDWRU PDUN XS RQ FRVWV JUR
FKRLFH RI WKH WHVWHG SDUW\ VKRXOG EH FRQVLVWHQW Z
WUDQVDFWLRQ $WWULEXWHV RI FRQWUROOHG WUDQVDFWLR
ZKHUH QHHGHG 7KH WHVWHG SDUW\ QRUPDOO\ VKRXOG E
WUDQVDFWLRQ DQG VKRXOG EH WKH SDUW\ LQ UHVSHFW RI Z

RSHUDWLRQV)XUWKHU DXGLWHG ILQDQFLDO VWDWHPHQWV
WLPH LQFOXGLQJ UHWURVSHFWLYH UHVWDWHPHQW RI GDWD
PXOWL \HDU VWDWLVWLFDO DQDO\VLV WKDW FDQ EH DSSOLHG

% ([WHUQDO FRPSDUDEOHV PXVW EH VHOHFWHG VXF
ILQDQFLDO GDWD DSSURSULDWHO\ UHIOHFW WKH EXVLQHVV F\
RU SHULRG DW LVVXH &RQWHPSRUDQHRXV WUDQVDFWLRQV
FRQGLWLRQV DQG HQVXUH D KLJKHU GHJUHH RI FRPSDUDELOL
JHQHUDO UXOH DQG PXOWLSOH \HDU GDWD PD\ DOVR EH FRQV
DQ LQIOXHQFH RQ WKH GHWHUPLQDWLRQ RI WUDQVIHU SULFLQ

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V\VWHPDWLF UHTXLUHPHQW 0XOWLSOH \HDU GDWD PD\ EH XV
SULFLQJ DQDO\VLV PRUH UHOLDEOH &LUFXPVWDQFHV WKDW
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		\HDU SHDQLRGG DWD XQDYDLODE QRW FRQVLGHUHG

D 7KLV LQWHUYLHZ LV XVHG KHUH GXH WR WKH IDFW WKDW WKH FRP DVVXPHV WKH QHHG IRU D VLJQLILFDQW ZRUN IRUFH :DJHV DUH WKH FDQ EHQXVHG LQ VHFLILF VLWXDWLRQV LQ WKH SURFHVV RI HOLPLQDWLRQ

% &RPSDUDELOLW\ DGMXVWPHQWV FDQ EH GLYLGHG

$FFRXQWLQJ DGMXVWPHQWV
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% $FFRXQWLQJ DGMXVWPHQWV 7KHUH DUH YDULR
VWDQGDUGV DQG SUDFWLFHV EHWZHHQ WKH WHVWHG SDUW\ D
WR PHDVXUHPHQW HUURUV LI DGMXVWPHQWV DUH QRW PDGH
WKH IROORZLQJ FDWHJRULHV RI FODVVLILFDWLRQ GLIIHUHQFH

% $FFRXQWLQJ GLIIHUHQFHV PD\ UHODWH WR FOD
UHFRUGHG LQ GLIIHUHQW DFFRXQWLQJ OLQHV)RU H[DPSOH

- $ VDOHV UHEDWH JUDQWHG WR D FXVWRPHU PD\ UHVXOW
QHJDWLYH VDOHV RU PDUNHWLQJ H[SHQVHV GHSHQGLQ
DIIHFW JURVV PDUJLQV 5HVDOH 3ULFH 0HWKRG
- 5 ' H[SHQGLWXUH PD\ EH UHIOHFWHG HLWKHU LQ RSHUDV
JURVV PDUJLQV DUH QRW FRPSDUDEOH DQG WKLV UHT
0HWKRG RU
- 6LPLODUO\ WKH ODFN RI D FOHDU GLVWLQFWLRQ EHWZ
KH@ P
` •L 0 U pWLEApW •LU X@0 VL ` WKÄKH ²l˜WM Wc›™

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LQFOXGLQJ LQFUHDVHG FRPSHWLWLRQ SURGXFW OLQHV DW
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% 6WDUWXS'HSHQGLQJ RQ WKH SODFH RI EXVLQHVV
D QHZ EXVLQHVV HQWLW\ PD\ EH XQSURILWDEOH GXULQJ WKH
VWDUW XS FRVWV DQG WKH SHULRG RI VXFK ORVVHV ZLWKLQ
HQWLW\ RI WKH 01(JURXS ,Q JHQHUDO D OLPLWHG ULVN HQW
DV FRPSDUHG WR D ULVN EHDULQJ HQWLW\ 2Q WKH RWKHU
HQWHUSULVH RSHUDWLQJ LQ D QHZ ORFDWLRQ DV D IXOO IOH
PD\ QRW EH TXHVWLRQDEOH LQ WKH LQLWLDO \HDUV DV LW PD

% 'HOLEHUDWH EXVLQHVV VWUDWHJLHV $Q 01(P
VWUDWHJLHV IRU PDUNHW SHQHWUDWLRQ VR WKDW LW GRHV
VRPH MXULVGLFWLRQV +RZHYHU VXFK EXVLQHVV VWUDWHJL
*HQHUDOO\ DVVRFLDWHG SDUWLHV DUH H[SHFWHG WR DFW L
FRPSDUDEOH FLUFXPVWDQFHV DQG WKHUHIRUH VXFK VWUDW

% $ VHFUHW FRPSDUDEOH JHQHUDOO\ UHIHUV WR WD[SD\HU E\ WKH WD[DXWKRULWLHV WR IRUP WKH EDVLV RI WD[SD\HU XQGHU VFUXWLQ\ LV QRW JLYHQ DFFHVV WR FRQILGHQWLDO LQIRUPDWLRQ DERXW WKH

% 7KHUH LV D QHHG WR H[HUFLVH FDXWLRQ DJDLQ WD[DGPLQLVWUDWLRQ LV DEOH ZLWKLQ WKH OLPLWV RI LW WKH GDWD WR WKH WD[SD\HU ZKRVH WUDQVDFWLRQV DUH E RSSRUWXQLW\ IRU WKH WD[SD\HU WR GHIHQG LWV RZQ SRVLW WKH FRXUWV 7D[SD\HUV FRQWHQG WKDW WKH XVH RI VXFK VH