



## An Independent, Mark to Model Approach to Valuating Complex Instruments

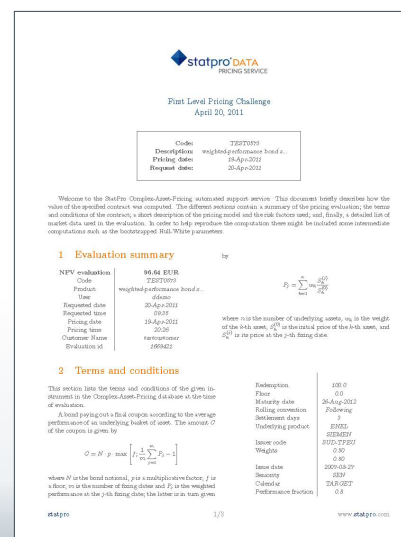
Reduce your exposure to valuation risk and meet regulatory requirements with an independent service for complex asset pricing with StatPro's CAP.

StatPro's CAP service is a web 2.0-based application that values a wide range of illiquid assets. The CAP service is based on a mark to model methodology. This evaluation method provides accurate valuations for Over the Counter instruments and brings a balanced perspective on the pricing of publicly traded bonds based on credit spreads as observed on the market for Credit Default Swaps on a given issuer. To ensure independence, the service uses multiple sources for input data, along with QuantLib2, StatPro's proprietary extension to the widely used open source QuantLib financial library.

### STATPRO COVERS A WIDE RANGE OF COMPLEX ASSETS FOR YOUR CURRENT AND FUTURE PRICING NEEDS INCLUDING:

- "Hard to Price" Fixed Income Instruments including European ABSs and MBSs.
- Credit Default Swaps (based on single names and on basket indices)
- Inflation – linked Bonds and Interest Rate Swaps
- Interest Rate Swaps Equity/Mezzanine- tranche CDOs on liquid indices (iTraxx and CDX)
- Vanilla OTC Derivatives in general
- Vanilla Bonds in general
- Equity Options (on single names and indices) and Equity Linked Bonds and Warrants
- CMS-Linked Swaps and Bonds
- Convertible Bonds
- Callable/puttable OTCs and Bonds with various degrees of complexity

### SCREENSHOT



The screenshot displays a report titled "First Level Pricing Challenge" dated April 30, 2011. It includes a table with the following data:

Code	TE270709
Description	weighted performance bond e.
Pricing date	28-Apr-2011
Request date	28-Apr-2011

The report also contains sections for "1 Evaluation summary" and "2 Terms and conditions".

▲ Online Price Challenge





### StatPro Value-Add to Complex Asset Pricing

**Independent Pricing:** We are not affiliated with a financial institution nor are we actively involved in the business of investment management or securities trading.

**Transparency:** Full asset terms and conditions are available through StatPro's web pricing interface. Clients can add, view and edit current information. In our standard coverage fee we provide our clients with full access to the inputs and the model details and, for an additional consultancy fee also to the quants involved in the pricing.

**Challenge Process:** StatPro's offers three levels of service for the pricing challenge process:

- ▶ Documentation (fully automated) – automatically produces a .pdf document showing market inputs, modeling assumptions and outputs for a given instrument on a present or past date;
- ▶ Pricing simulation (fully automated – extra fees might be required) – creates an Excel spreadsheet replicating the web based pricing and allowing the user to change market data inputs;
- ▶ Analysis (extra fees required) – gives access to Statpro's quantitative team for an in length discussion of the price.

All of this allows administrators to bring objectivity and clarity to the methodology, inputs and assumptions used in determining a complex asset price.

StatPro's Team of Qualitative Expertise - StatPro's methodologies combine proven in- house modeling techniques, information from extensive market sources, and a team of Quantitative experts who integrate observed transaction data, credit quality information, and other relevant information into our pricing.

**Technology:** CAP is a web-based system that can be deployed quickly and cost efficiently. Clients have secure access to their assets and associated data on the web.

**Value at Risk:** Monitor your risk exposure on a given day with the Value at Risk (and other traditional statistical risk figures) tool embedded in CAP.

**Liquidity Risk Numbers:** this service enables you to have access to StatPro's pioneering liquidity risk analysis on a single asset basis.

**Clean & Dirty Prices:** StatPro's service enables you to distinguish between capital earnings (coming from the clean price of a bond) and the interest earnings (coming from the coupon accruals) for bond and derivative instruments.

**Greek Numbers:** Asset managers can treat component risk in isolation in a simple and easy to use tabular form, without the need of any installation or setup process .

