Yield Book **Add-In**

Yield Book power with spreadsheet flexibility

The Yield Book Add-In delivers the power of The Yield Book's fixed income analytics directly inside the Microsoft Excel® spreadsheet environment. Users can customize templates to perform complex calculations at the security, sector, and portfolio-level.

Ease of Use

The Yield Book Add-In inserts an intuitive drop-down menu inside Excel. The system uses an internet connection to interact with Yield Book's comprehensive database and powerful calculation engine, allowing users to calculate analytics directly inside their spreadsheets.

Integrated Solution	As it extends the functionality of the Excel application with custom tasks, the Yield Book Add-In leverages Excel's interface and functionality, making the desired output extremely flexible and fully customizable.
On-Command Execution	Users have control over when calculations are made with the flexibility to partially or fully calculate the spreadsheet. This allows users to run calculations either on single securities or at the portfolio level.
Smart Processing	The Yield Book Add-In recognizes dependency trees within analyses; hence, it follows a desired order for calculations. This allows users to price securities relative to other securities.
Concurrent Analyses	The spreadsheet environment allows for simultaneous calculations of different models or different assumptions.
Programmatic Control	A library of Yield Book Add-In specific Visual Basic commands allows the user to leverage Yield Book data and analytics inside scripts.

Key Features and Functions

The Yield Book Add-In provides access to the following major functionalities:

Requirement	Approach
Portfolio Analysis	• Allow users to aggregate portfolio analytics by sectors • Evaluate the portfolio on an absolute basis or relative to a benchmark • Extract and visualize the most important and relevant information using customized report templates
Price / Yield Calculations	• Calculate and display bond analytics • Include measures such as price, yield, OAS, convexity, effective convexity, effective duration, and partial duration
Scenario and Cash Flow Analysis	• Perform scenario and cash flow analysis by changing input criteria to assess the performance of single securities or portfolios • Generate cash flow and return projections based on user-defined shifts for interest rates, spreads, currencies, volatilities, and prepayments
Actual Rate-of-Return and Return Attribution Analysis	• Calculate the rate of return (ROR) on a position given the starting and ending prices and dates or calculate the forward price assuming a finance rate • Gain a better understanding of key drivers of total return such as yield curve movements, spread changes, volatility fluctuations, and prepayments
Descriptive Information and Historical Data	• Access comprehensive sets of data such as bond indicatives, historical pricing, yield curves and actual versus projected prepay speeds for mortgages • Run time series analyses to perform a variety of calculations or manipulations including spreads, butterflies, regression, return compounding, standard deviation, and correlation
Tracking Error and Value-at-Risk (VaR)	• Isolate and measure the components of risk and potential sources of return with a Monte Carlo simulation-based approach

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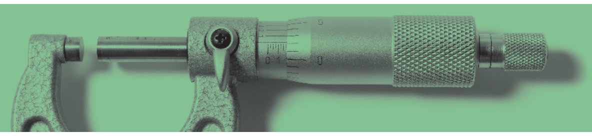


Key Features and Functions, continued

Requirement	Approach
Optimization	Make informed decisions around trade weighting, portfolio optimization relative to a benchmark, and hedging a portfolio
Advanced Mortgage Analytics	• Retrieve collateral information including pool-level details for CMOs • Analyze prepay model performance by comparing actual realized prepayments to model projections • Stress test PAC bands through WAL sensitivity analysis
Customized User Input and Output	Customize your analysis by defining bonds, curves, volatility surfaces, scenarios, prepayment model dials, and tenors for partial durations

Comprehensive Analytics Libraries

The Yield Book Add-In offers access to The Yield Book's comprehensive analytics libraries and fast calculation servers, allowing you to quickly calculate multi-path dependent measures like OAS and effective duration.

Nominal Analytics	• Price / Yield • Spread • Duration • Convexity	• WAL • DV01 • Total Return
Option Model Measures	• OAS • Spread • Effective Duration • Effective Convexity	• Effective WAL • Effective DV01 • Partial / Key Rate Durations • Volatility and Prepay Duration

Comprehensive Securities Coverage

The Yield Book products offer analytical insight into an extensive range of financial products in the fixed income space including Governments, Agencies, Corporates, High Yield, Emerging Markets, Mortgages, ABS, CMBS, CMOs, and Derivatives.

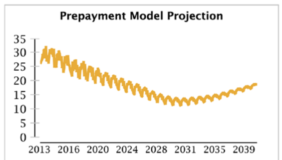
CMO Price/Yield Report

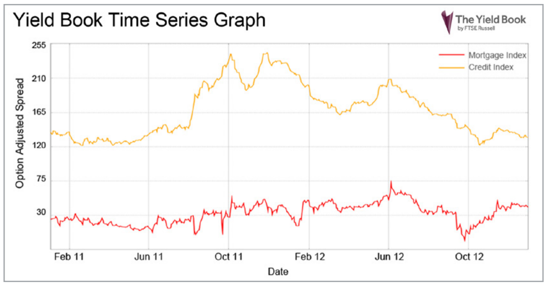
The Yield Book by FTSE Russell

Option Model Measures	
Effective Yield	1.340
OAS	20
Effective WAL	5.879
Eff Duration	3.114
Eff Convexity	-0.999
Effective DV01	0.033
Effective CV01	-0.011
Convexity Cost	54

Partial Durations	Duration	DV01
1 Year	0.332	0.004
2 Year	0.181	0.002
3 Year	0.500	0.005
5 Year	0.685	0.007
10 Year	0.831	0.009
20 Year	0.436	0.005
30 Year	-0.050	-0.001

Prepayment Projections	FwdCPR	CPR	PSA
1 Month		26.5	456.8
3 Month		26.9	452.9
6 Month		27.1	454.9
1 Year	23.6	26.6	446.8
Long Term	12.5	23.7	396.2





Source: FTSE Russell. For illustrative purposes only.

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