Alternative Investments Valuations

Interactive Data's alternative investments valuations service allows clients to subscribe to a valuation tool for interest rate swap trades, complex OTC derivatives and structured products, single-name credit default swap and credit default swap index trades, and syndicated bank loan positions.

Interest Rate Swaps (IRSs)

For IRS valuations, the service allows you to upload your IRS trades to, and download valuations from, Interactive Data, via FTP (bulk file) or a Web-based facility. We offer independent valuations for select swaps including:

- fixed-for-fixed cross currency swaps on any combination of offered currency pairs,
- fixed-for-floating single currency and cross currency swaps on any combination of offered currency pairs,
- select floating-for-floating cross currency basis swaps vs. U.S. dollars and European euro,
- floating-for-floating single currency U.S. dollar LIBOR basis swaps,
- irregular schedule amortizing / accreting and step-up / step-down single currency swaps, including rollercoaster single currency swaps
- forward swaps, and
- compounding swaps (where the payment frequency and reference rate tenor differ).

(For additional information, please refer to our *Interest Rate Swap Trades Valuations Methodology*.)

The IRS valuation service covers these currencies:

Currency	Historical valuations from:
Australian dollars (AUD)	December 2007
British pounds (GBP)	June 2007
Canadian dollars (CAD)	June 2009
Czech koruna (CZK)	April 2009
Danish krone (DKK)	April 2009
Euros (EUR)	June 2007
Hong Kong dollars (HKD)	December 2009
Hungarian forint (HUF)	April 2009
Japanese yen (JPY)	December 2007
Korean won (KRW)	December 2009
Malaysian ringgit (MYR)	December 2009
New Zealand dollars (NZD)	June 2009
Norwegian krone (NOK)	April 2009
Polish zloty (PLN)	April 2009
Singapore dollars (SGD)	December 2009
South African rand (ZAR)	April 2009
Swedish krona (SEK)	April 2009
Swiss francs (CHF)	June 2007
Taiwan dollars (TWD)	December 2009
Thai baht (THB)	December 2009
Turkish lira (TRY)	March 2010
U.S. dollars (USD)	June 2007

In addition, Interactive Data covers IRSs with non-standard payment frequencies. Valuations are based on benchmark curves assembled from industry standard sources that have passed several quality control tests, and from a leading financial calculation engine. These curves are used in generating cash flows to value each leg of the trade.

Benefits

- **Ease of validation**—Input validation tools built into the service help you match trades more effectively and facilitate independent valuations.
- **Timely valuations**—Valuations are based on curve data available at 16:30 (GMT), 15:00 (ET), and 16:00 (ET), and are available for download at approximately 17:00 (GMT), 15:30 (ET), and 16:30 (ET) respectively, every business day. Request files can be uploaded to Interactive Data at any time before 15:00 (GMT/ET).
- **Valuation convention**—You can choose either Same Day (T0) or Buy Out (traditional settlement practice of the underlying currency) settlement valuation convention for each swap.

- **Internal identifiers**—You can use your unique internal identifiers to map trades, so data will be delivered with identifiers your system can recognize.
- **Access to underlying data and evaluators**—You can have access to the underlying benchmark curves used, and if necessary, to the evaluators responsible for creating the curves.
- **Bulk or online upload and download**—You can upload your trades and download IRS valuations via FTP (bulk file) or online via a Web-based facility.

Complex OTC Derivatives and Structured Products

Interactive Data provides valuations for complex OTC derivatives and structured products through an agreement with Prism Valuation. Prism valuations are delivered via our FTS℠ portfolio administration service, which enables clients to submit deal confirms or other source documents directly, rather than having to input the structure and select and calibrate models.

A series of strategic data partnerships provide Prism Valuation with the underlying market data required to calibrate its valuation models:

- Interactive Data - exchange-traded equity and derivatives data, corporate actions, fund data, and fixed income and international equity evaluations
- ICAP - underlying market data including generally hard-to-obtain market data and private data
- GFI - credit data

The underlying modeling framework is based on numerical models from NumeriX.

The service is capable of providing valuations for most flavors of OTC derivatives and complex securities, and new structures are continually being added. Current coverage includes:

- Options
- Swaps
- Baskets
- Accruals
- Callables
- Hybrids
- Cliquets
- TALF Loans
- Caps/Floors
- Structured Notes
- Swaptions
- Forwards
- Linked-Notes
- Variance/Volatility

on underlyings such as:

- Interest Rates
- Inflation
- FX
- Equity
- Commodity
- Funds
- Credit

For a detailed list of the products covered, please refer to *Complex OTC Derivatives and Structured Products Coverage*.

Benefits

- **Ease of use**—Our user friendly FTS service allows you to submit deal confirms or other source documents directly.
- **Timely valuations**—Valuations are available on a daily, weekly, monthly, or quarterly basis.
- **Valuation expertise**—The Prism valuation team has backgrounds and experience in structuring, trading, and valuing complex derivatives.
- **Valuation Reports**—The following valuation reports are available:
  - The *Valuation Transparency Report* describes the valuation process for even the most complex structures in plain language. Information such as the required underlying market data; model and calibration choices, with the reasons behind the choices (including details on determination of any model parameters which are not directly calibrated to market data); and primary and secondary sensitivities is provided.
  - The *Valuation Discrepancy Report***,** which can be provided on an ad-hoc request basis, is a value-added analysis comparing differences between a client's valuation (counterparty and/or internal valuations) and Prism's valuation. The analysis provides what, in Prism's opinion, are the maximum variances that can be caused by different market data inputs, model selection, calibration choices, parameter sensitivities, and numerical methods, and then concludes with what Prism believes is the maximum valuation deviation.

Credit Default Swaps (CDSs)

For CDS valuations, the service allows you to upload your single-name CDS or CDS index trades through bulk file transmission (FTP) or a Web-based facility.The service returns valuations from Markit Group Limited, which you can download through bulk file transmission (FTP) or a Web-based facility. (For additional information, please refer to Interactive Data's *Single Name Credit Default Swap Valuations Methodology* or *Credit Default Swap Index Trades Valuations Methodology*.)

- **Single Name CDS valuations**: Markit leverages the contributions of approximately 23 major CDS dealers. Data includes composite and contributed level CDS data for approximately 3,000 individual entities. Reference Entity Database (RED™) data is available for more than 4,600 scrubbed reference entity/obligation pairs. RED is the emerging industry standard identifier for CDS.
- **CDS Index Valuations**: Covers Markit CDX index trades and Markit iTraxx® index trades.

Benefits

- **Validation**—For ease of use, input validation tools are built into the service to help match trades more effectively and facilitate CDS valuations.
- **Timely valuations**—Single name CDS valuations are based on data available at 16:00 (ET), and are available for download at approximately 16:30 (ET) every business day. Request files can be uploaded to Interactive Data at any time before 15:30 (ET). CDX index trade valuations are available after 19:00 (ET) for five year on-the-run CDX index trades, after 2:00 (ET) for off-the-run CDX index trades, and after market close (depending on the index) for iTraxx index trades. In addition, intra-day levels are available after 16:00 (ET).
- **Detailed Methodology and Quality Controls**—Single name CDS valuations are based on composite curves assembled from contributed data that has passed several quality control tests. The associated default probabilities are then used in conjunction with user-supplied trade information to obtain a valuation.
- **Use Markit RED codes or internal identifiers**—You are able to use either Markit's RED codes or your internal identifiers.

Bank Loans

For bank loan valuations, the service allows you to upload your bank loans through a Web-based facility or bulk file transmission (FTP). The service returns composite and modeled bank loan valuations from Markit Group Limited, which you can download through a Web-based facility or bulk file transmission (FTP). (For additional information, please refer to Interactive Data's *Composite Bank Loan Prices Methodology*.)

Markit collects marks (bid and ask prices) from approximately 70 trading desks.

The service greatly reduces the need for manual monitoring of certain corporate actions and manual reassignment of identifiers. A user-friendly web tool automates the delivery of updates on refinancing, termination, and substantial amendments to loans, including effective dates for changes.

Benefits

- **Ease of Use**—Tools built into the service help you search the bank loan universe and then select and view price data on specific loans.
- **Timely valuations**—Prices are available for download at approximately 16:30 (ET) every business day. Request files can be uploaded to Interactive Data at any time before 15:30 (ET).

About Interactive Data

Interactive Data Corporation is a trusted leader in financial information. Thousands of financial institutions and active traders, as well as hundreds of software and service providers, subscribe to our fixed income evaluations, reference data, real-time market data, trading infrastructure services, fixed income analytics, desktop solutions and web-based solutions. Interactive Data's offerings support clients around the world with mission-critical functions, including portfolio valuation, regulatory compliance, risk management, electronic trading and wealth management. Interactive Data is headquartered in Bedford, Massachusetts and has over 2,400 employees in offices worldwide.

For more information, please visit www.interactivedata.com.

Interactive Data's Pricing and Reference Data business provides global securities pricing, evaluations and reference data designed to support financial institutions' and investment funds' pricing activities, securities operations, research and portfolio management. Interactive Data collects, edits, maintains and delivers data on more than 6 million securities, including daily evaluations for approximately 2.8 million fixed income and international equity issues. Interactive Data specializes in 'hard-to-get' information and evaluates many 'hard-to value' instruments. Pricing, evaluations and reference data are provided in the U.S. through Interactive Data Pricing and Reference Data, Inc. and internationally through Interactive Data (Europe) Ltd. and Interactive Data (Australia) Pty Ltd.

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