BondEdge® Portfolio Manager is a package of product capabilities designed to assist portfolio managers and analysts at asset management firms manage relative risk and reward for either single or multiple cross-asset portfolios versus leading indices and liability benchmarks. This package can also help address the needs of investment professionals at banks, insurance companies, pension funds and endowments.

For many years, asset management professionals have leveraged the robust analytical asset, portfolio and benchmark modeling tools and comprehensive security database coverage of Interactive Data’s market-leading BondEdge service for fixed income and structured product portfolio versus benchmark risk analysis, performance attribution and compliance testing based upon client input guidelines.

Significant total return dispersion among bond sectors and credit rating cohorts have increased the need for enhanced granular portfolio versus benchmark risk analysis and performance attribution tools. Regulatory and accounting rule changes have also heightened focus on the closer matching of pension portfolio assets versus pension liability risk characteristics. The analytical enhancements delivered with this package of capabilities were developed with these trends in mind.

BondEdge is an analytics platform that provides robust reporting across a range of asset classes, giving the user the ability to analyze holdings, distributions, and performance of both fixed income portfolios as well as multi-asset class portfolios. BondEdge provides a highly intuitive, flexible user interface. BondEdge includes an extensive structured finance deal library, cash flow engine and term structure and prepayment models, enabling clients to generate dynamic risk measures and asset cash flows for agency and non-agency residential mortgage-backed securities, including sub-prime issues, as well as asset-backed and commercial mortgage backed securities.

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**Extensive Security Coverage, Including Structured Finance Library**

- Comprehensive fixed income security database, including treasuries, agencies, Government Sponsored Enterprises (GSE), corporates, fixed and adjustable mortgage-backed pools, agency and non-agency RMBS, asset backed securities, CMBS, preferred stock, municipal securities
- Equity coverage includes Common Stock, ADR/GDR, Master Limited Partnerships (MLPs), REIT, ETF, derivatives coverage includes options on Equity and Indices, Index Futures and Commodity Futures, Equity Mutual Funds
- Fixed income derivatives coverage, including interest rate futures, interest rate and credit default swaps, caps/floors and OTC options
- Flexible bond modeling tools for private placement securities and client-created bonds
BONDEdge Solutions

Robust Analytical and Cash Flow Models
- Arbitrage-free Multi Factor and Single Factor Interest Rate Term Structure Model
- Structured Finance Cash Flow Engine
- Mortgage-backed Prepayment Modeling with Monte Carlo-based analytics
- Bond Option Model with implicit finite difference method

Comprehensive Set of Security and Portfolio Level Option-Adjusted Risk Measures, Including:
- Effective Duration and Convexity (par or spot curve)
- Option-adjusted Spread (government or swap curve)
- Key Rate Durations
- Spread Duration
- Volatility Duration
- Prepayment Duration

Flexible Portfolio Reports, Graphics and Scans/Alerts
- Intuitive user-interface for quick and easy system navigation
- Centralized reports engine that allows clients to create customizable reports
- Automated report and graphics production and export
- Automated portfolio upload process from leading accounting systems and Microsoft Excel®
- Portfolio Scan and Filter tools to quickly create portfolio segments for report generation, stress testing and cash flow analysis
- Portfolio Alerts to easily identify securities with ratings upgrades/downgrades/change in watch status

Portfolio versus Index Comparison Capabilities
BondEdge provides the ability to generate detailed Portfolio versus Index comparison reports in a variety of standard and client customized report templates for fixed income, equity, and multi-asset benchmarks. These tools can utilize pre-computed summary index measures generated by the BondEdge Index Services Group, and are available to clients on a daily, weekly and/or monthly basis. In addition, issue level index data can be computed at the client site for customized portfolio versus index reporting. Features available in this capability include:
- Access to over 350 global and domestic fixed income indices from market-leading benchmark providers, including Barclays, Bank of America Merrill Lynch®, and Citigroup®
- Access to leading equity benchmark providers, including S&P® Dow Jones®, MSCI®, Russell®, and NASDAQ
- Analytic Measure Comparisons
- Scenario Analysis based upon shifts to government or swap curve and credit spreads
- Global Tracking Error Analysis
- Customized Portfolio versus Benchmark Reports
- Weighted Index Creation facility
- Multiple and single portfolio report analysis supported
COMPLIANCE

■ Pre and Post Trade Compliance Testing versus client specified portfolio guidelines
■ Constraints may be specified in absolute or benchmark relative terms
■ Portfolio Risk Measure Averages Constraints supported
■ Constraints based upon allocations to sector, industry, credit rating, issuer and issue level supported

STRESS TESTING TOOLS

BondEdge provides capabilities for the generation of projected market and book values based on shifts to the government or interest rate swap curve and credit spreads. Robust term structure, option and prepayment models are used to compute horizon security, portfolio and benchmark values. Prepayment model assumptions may also be changed.
■ Parallel/non-parallel interest rate shifts
■ Credit spread shifts for sectors/industries/issuers
■ Credit spread shifts by underlying collateral/tranche types
■ Flexible report creation at security/portfolio level
■ Comparison to liability benchmarks supported
■ Prepayment User Scaling – stress/alter BondEdge prepayment model assumptions in an automated fashion

Example of Multi-Scenario Analysis for Portfolio vs. Benchmark
PORTFOLIO “WHAT-IF” ANALYTICS FOR PRE-TRADE ANALYSIS

BondEdge provides the ability to measure the effects of trading on both a market value basis and book value basis, including before/after portfolio risk characteristics and distribution analysis.

CREDIT LOSS MODELING FOR STRUCTURED SECURITIES

- Credit trigger setting toggle, set future default expectations, loss severity
- Portfolio and Security Loss Adjusted Measures, including: yield, effective duration, convexity, total return projections and dynamic cash flow analysis

BONDEDGE API

BondEdge includes an analytical measures and trade analysis API (application programming interface) that includes:

- Security-level derived analytical measures
- Static Cash Flows
- Scenario Based Analytical Measures – parallel/specified scenario simulations
- Bond Swap Analysis
- Portfolio “What-if” Analysis

THIRD PARTY SYSTEM INTEGRATION

Portfolio position import capabilities from accounting systems, including:

- Advent Axyx/APX
- Thomson Reuters Portia
- Princeton Financial Systems PAM®
- SS&C Technologies, Inc. CAMRA™

ABOUT BONDEDGE SOLUTIONS

BondEdge Solutions, an Interactive Data company, provides high-quality cross-asset portfolio management and risk analytics solutions backed by proprietary quantitative modeling techniques to more than 400 leading banks, investment managers, brokerage firms, insurance companies and pension funds throughout North America. Its flagship offering, BondEdge, combines advanced analytics with security master data that provides comprehensive coverage for approximately 2.8 million domestic and international fixed income and equity issues, including a structured finance library of more than 16,000 U.S. structured deals.

For more information about BondEdge, please visit www.bondedge.com

BondEdge was named among a “Best-in-Class” solution in CEB TowerGroup’s 2013 Portfolio Modeling and Risk Analytics Technology Assessment.

For more information about Interactive Data and its businesses, please visit www.interactivedata.com

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