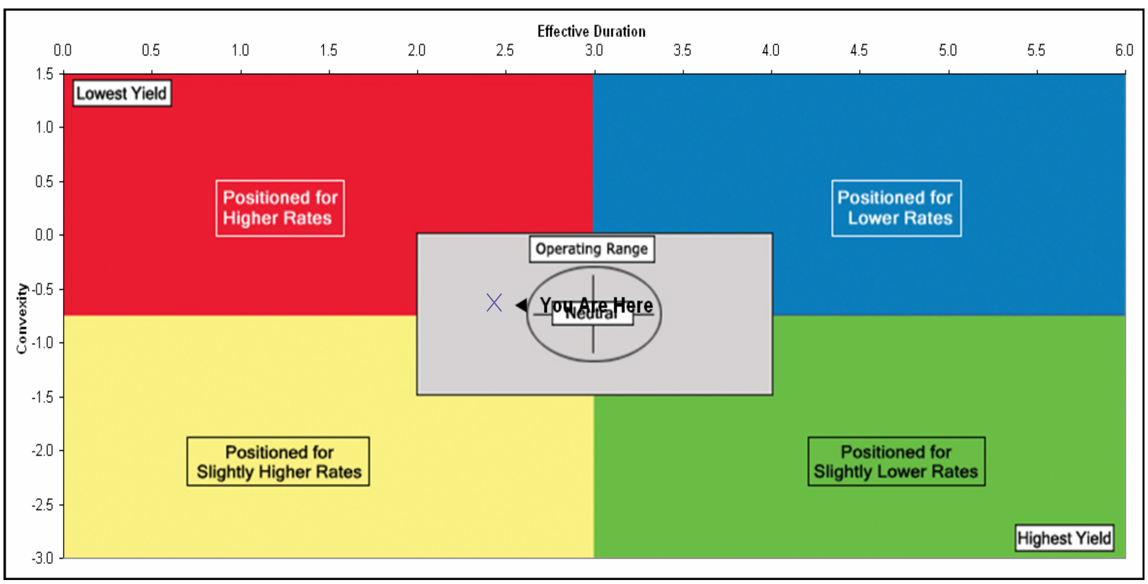
BondRisk

Fixed Income Portfolio Analysis

BondRisk provides interest rate risk analysis for a fixed-income securities portfolio and highlights key measurements that are important to managing that risk. The features of BondRisk include:

- Yield Scenario Analysis +/- 100, 200, 300BP
- Principal Cash Flow Analysis
- Maturity Breakdown (Average Life & Duration)
- Market Pricing
- Portfolio Yield Forecast
- Sector Breakdown
- Peer Group Analysis
- Interest Rate Risk Analysis

By utilizing Sterne Agee's proprietary positioning grid (see picture below), banking clients can manage the interest rate risk of their investment portfolio in the context of the entire balance sheet. The "neutral" range is the area inside the grey box where a bank is targeting their duration at or near their neutral point. This neutral point is calculated using our BankRisk product.



In order to run BondRisk, we only need a few pieces of information for each bond:

- CUSIP
- Book Price
- Original Par
- FASB Intent (AFS or HTM)