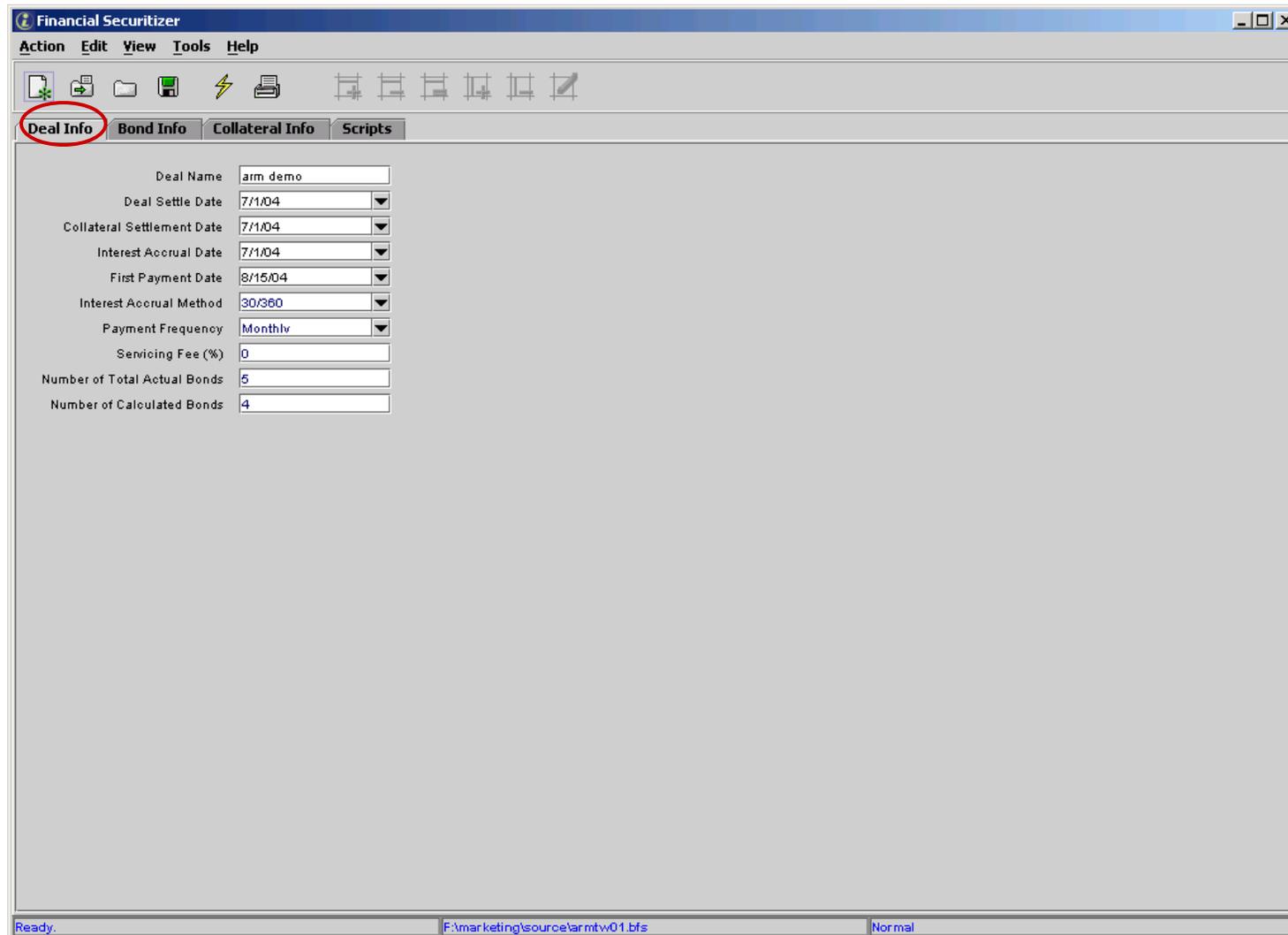


Financial Securitizer

Financial Engineering Tool for Fixed
Income Structured Products

- Financial Securitizer is a powerful application designed for any level professional to model and analyze commercial and residential mortgage-backed and general asset-backed securities.
- Due to its flexibility, the system can handle a wide range of processes, including structuring and issuance, reverse engineering, secondary market valuation, and analysis.

- To describe the collateral and bond behavior, user-specified data and rules are collected by the application as input parameters.
- Based on these scenario inputs, Financial Securitizer will be able to generate collateral and its bond cash-flow as well as any specified analytical results, such as the price/yield table or pricing report.
- Each deal is defined under four main sections, which are separated into tabs in the user interface: the **Deal Info**, **Bond Info**, **Collateral Info**, and **Scripts**.



The screenshot shows the 'Financial Securitizer' application window. The 'Deal Info' tab is selected and circled in red. The form contains the following fields:

Deal Name	arm demo
Deal Settle Date	7/1/04
Collateral Settlement Date	7/1/04
Interest Accrual Date	7/1/04
First Payment Date	8/15/04
Interest Accrual Method	30/360
Payment Frequency	Monthlv
Servicing Fee (%)	0
Number of Total Actual Bonds	5
Number of Calculated Bonds	4

'Deal Info' contains general information about the overall deal structure, such as the dates the deal is scheduled to start, the payment frequency of the bonds, and the number of actual bonds issued.

Financial Securitizer

Action Edit View Tools Help

Deal Info **Bond Info** Collateral Info Scripts

	Bcldscr	Bioflg	Bcpn	Bwacsp	Bratio	Bprc	Byld	Btsysp	Bgrade	Brunflg	Btaxflg
	COLLATERAL	<input type="checkbox"/>	WAC	0	100.000	99.000	8.360	165	BBB		0
1	AA	SNR AA <input type="checkbox"/>	WAC	40	72.000	100.500	6.230	30	AAA	DM -> Price PSA Act/360	0
2	A	JNR A <input type="checkbox"/>	WAC	60	18.000	99.000	6.230	60	A	DM -> Price PSA Act/360	0
3	B	N/R NR <input type="checkbox"/>	WAC	200	10.000	27.000	25.000	200	NR	DM -> Price PSA Act/360	1
4	ID	ID Strip <input checked="" type="checkbox"/>	0.000	0	100.000	2.500	3.500	0	AAA-ID	Yield -> Price	0
5	RESID	Residual <input type="checkbox"/>	0.000	0	0.000	1.000	9.000	0	RESID	Yield -> Price	0

Chart

Bratio 100.0%

- AA
- A
- B
- RESID

Ready F:\marketing\source\my_deal1.bfs Edited

'Bond Info' allows users to quickly list and describe the bonds to be created.

Financial Securitizer

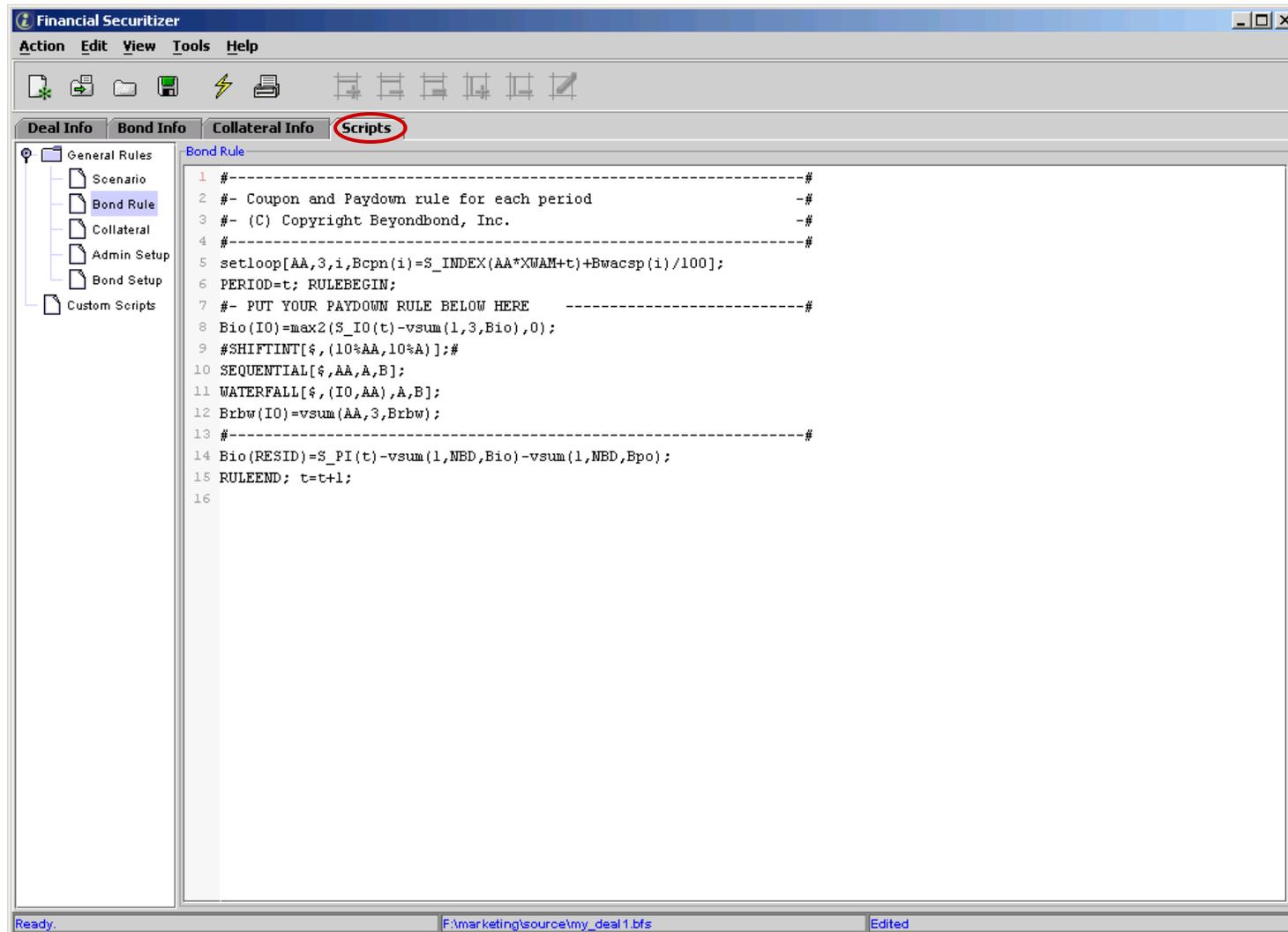
Action Edit View Tools Help

Deal Info Bond Info **Collateral Info** Scripts

	Cnu	Camt	Cbln	Cwam	Cwac	Cprc	Cfcol	Clkreg	Clkppy	Ctsysp	Cdscr	Csp	Clcap
	0	100,000,000.	240	240	4.050	99.500000	30/360	0	0	165.00	1.50	1.60	8.00
1	1	10,000,000.	240	240	5.000	100.000000	30/360	0	0	165.00	1.50	1.60	8.00
2	2	20,000,000.	240	240	4.500	100.000000	30/360	0	0	165.00	1.50	1.60	8.00
3	3	30,000,000.	240	240	3.500	100.000000	30/360	0	0	165.00	1.50	1.60	8.00
4	4	10,000,000.	240	240	4.000	100.000000	30/360	0	0	165.00	1.50	1.60	8.00
5	6	10,000,000.	240	240	4.000	100.000000	30/360	0	0	165.00	1.50	1.60	8.00
6	7	10,000,000.	240	240	4.000	100.000000	30/360	0	0	165.00	1.50	1.60	8.00
7	8	10,000,000.	240	240	4.000	100.000000	30/360	0	0	165.00	1.50	1.60	8.00

Ready. F:\marketing\source\my_deal1.bfs Edited

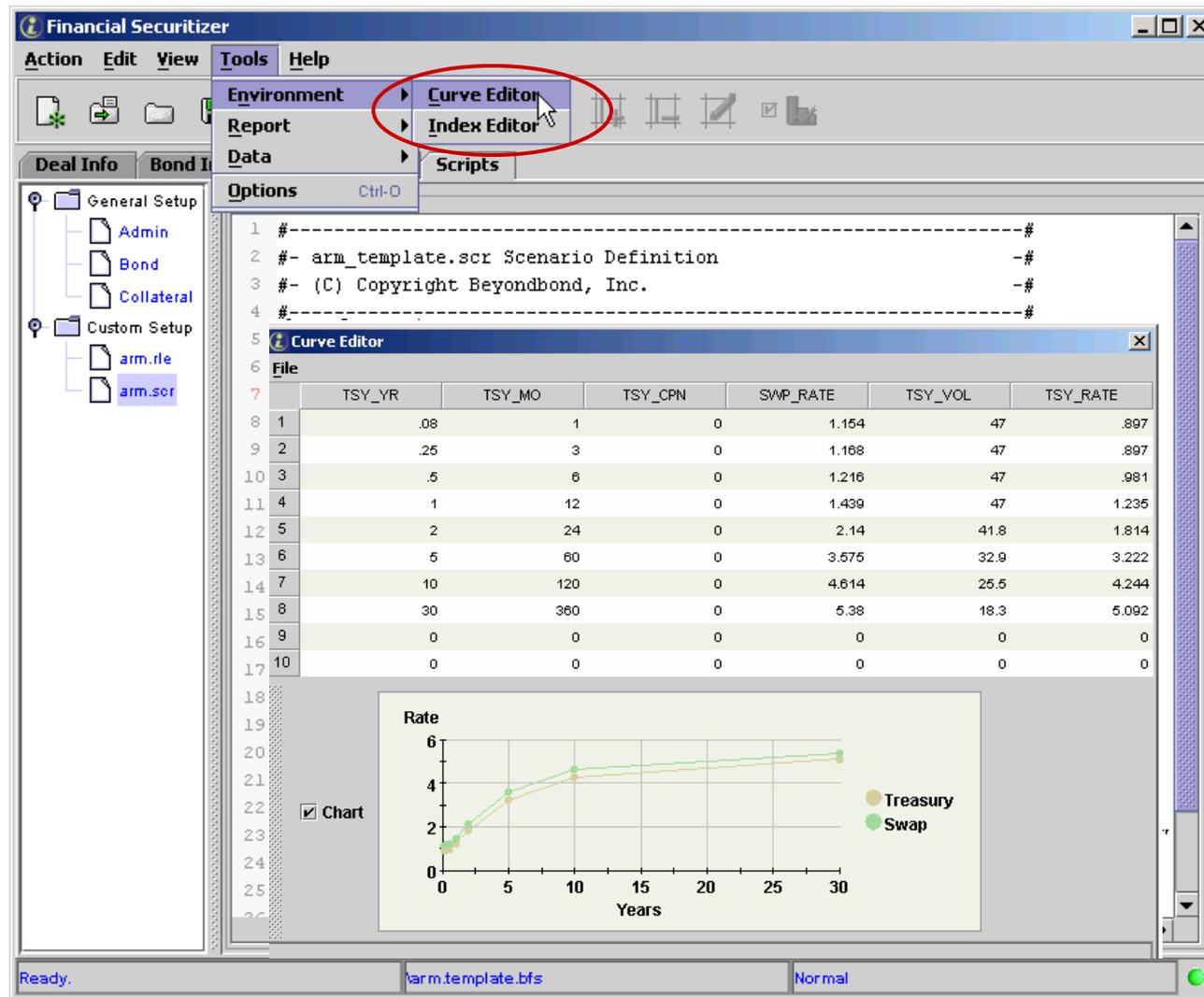
'Collateral Info' describes the collateral data set used. Input columns include term, amortization period, amount, coupon, price, prepayment lockout features, and day count.



‘Scripts’ contains sets of business rules that describe the structured transaction. These rules, combined with bond and collateral data, will allow users to create structures that suit everyone’s needs. A ‘Custom Scripts’ section enables users to extend the business logic.

To increase the system's functionality, the 'Tools' menu contains a series of supporting actions:

- the **Environment Editor**, featuring the Curve Editor and the Index Editor.
- the **Report Selector**, allowing users to select the desired type of report.
- the **MS Excel Data Import/Export** feature, applicable to both Bond Info and Collateral Info.
- the **Options** feature, controlling the general state of the application.

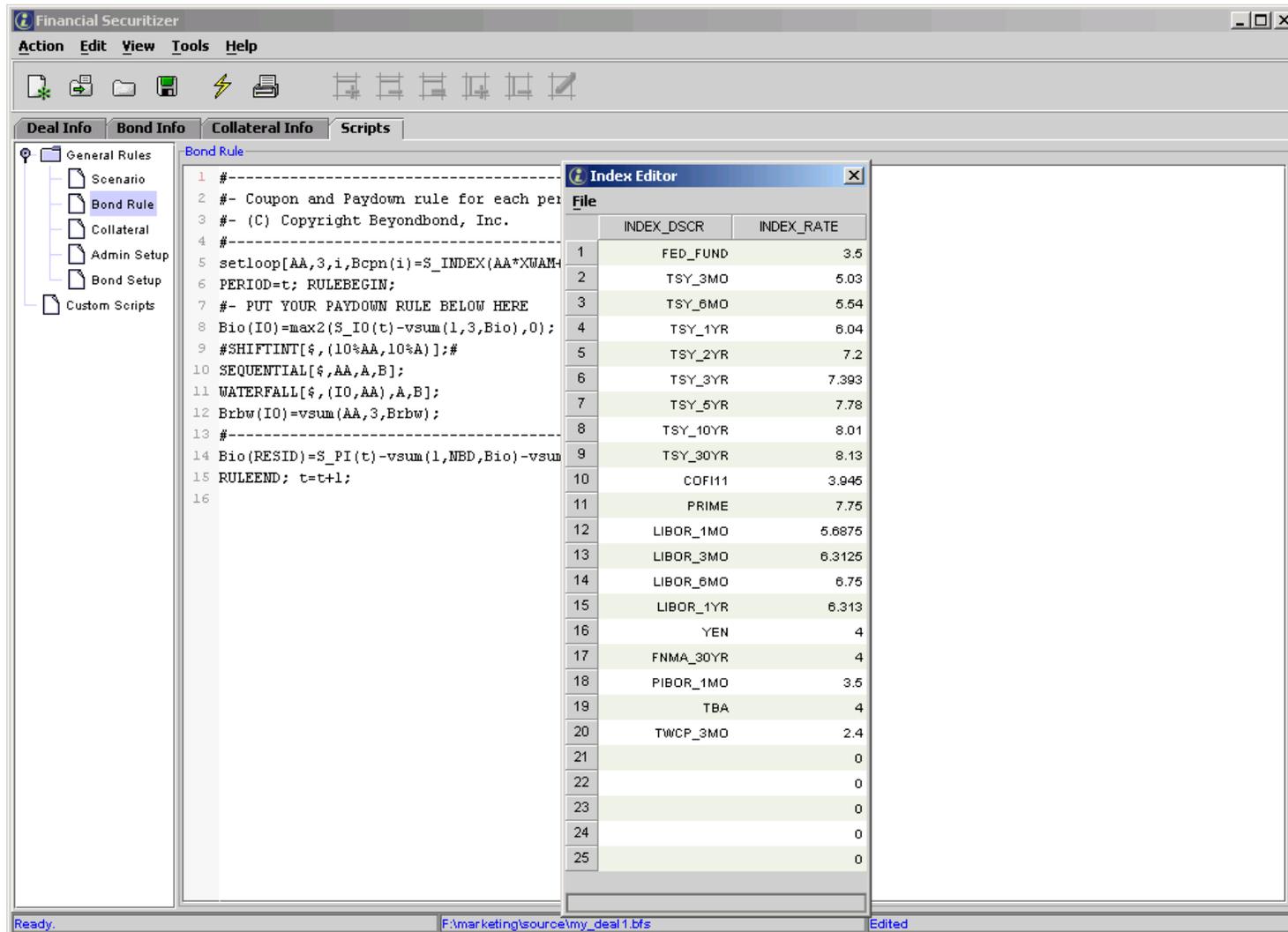


The screenshot shows the 'Financial Securitizer' application with the 'Curve Editor' tool open. The tool displays a table of parameters and a line chart comparing Treasury and Swap rates over 30 years.

	TSY_YR	TSY_MO	TSY_CPN	SWP_RATE	TSY_VOL	TSY_RATE	
1							
2							
3							
4							
5							
6							
7							
8	1	.08	1	0	1.154	47	.897
9	2	.25	3	0	1.168	47	.897
10	3	.5	6	0	1.216	47	.981
11	4	1	12	0	1.439	47	1.235
12	5	2	24	0	2.14	41.8	1.814
13	6	5	60	0	3.575	32.9	3.222
14	7	10	120	0	4.614	25.5	4.244
15	8	30	360	0	5.38	18.3	5.092
16	9	0	0	0	0	0	0
17	10	0	0	0	0	0	0
18							
19							
20							
21							
22							
23							
24							
25							
26							

The chart below the table shows the Rate (Y-axis, 0 to 6) versus Years (X-axis, 0 to 30). The legend indicates Treasury (yellow line) and Swap (green line) rates. Both rates start at approximately 1.15 at year 0 and increase over time, with the Swap rate reaching approximately 5.38 at year 30.

The 'Curve Editor' allows users to set the Pricing Yield Curve for deal analysis.



The screenshot displays the Financial Securitizer application window. The main area shows a 'Bond Rule' script with the following content:

```

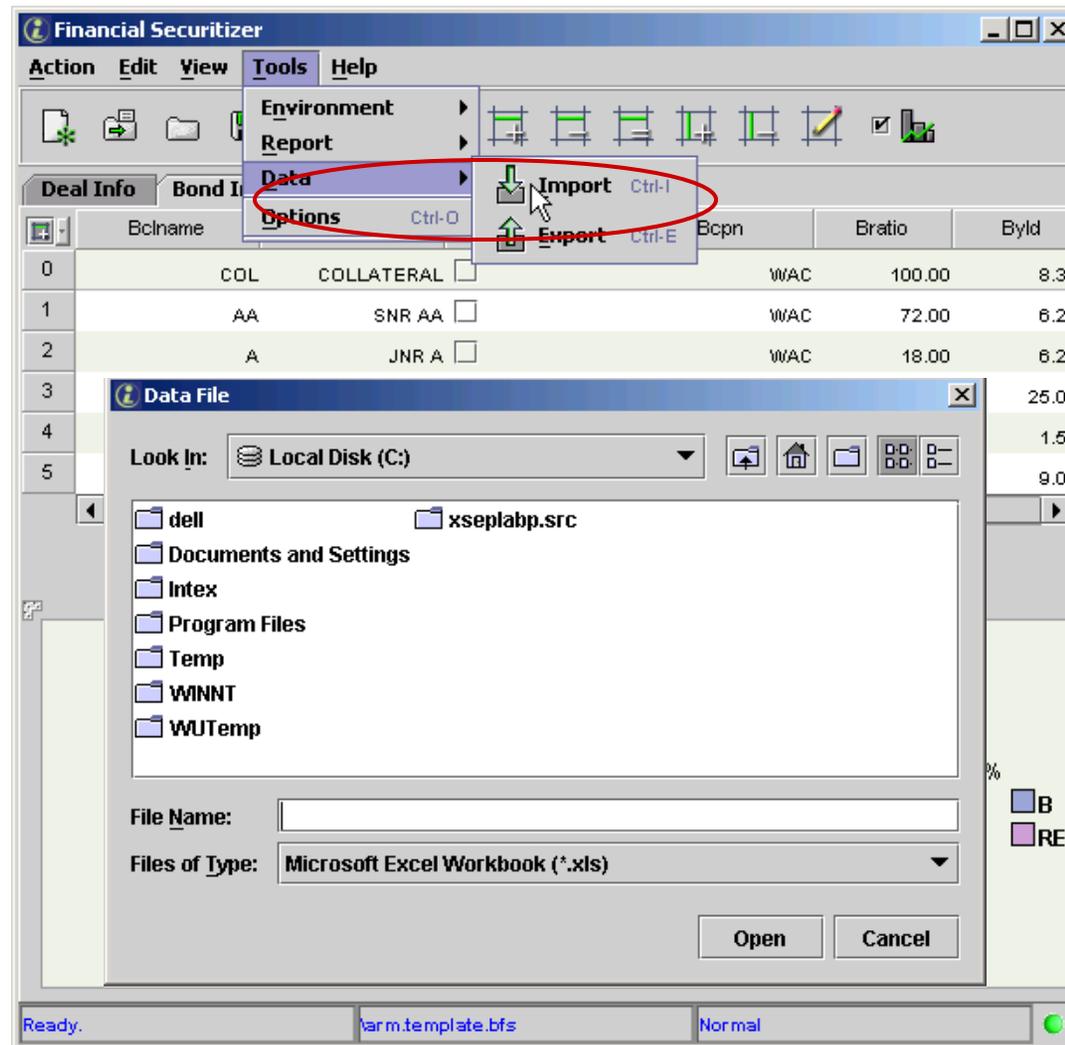
1 #-----
2 #- Coupon and Paydown rule for each per
3 #- (C) Copyright Beyondbond, Inc.
4 #-----
5 setLoop[AA,3,1,Bcpn(i)=S_INDEX(AA*%XUAM+
6 PERIOD=t; RULEBEGIN;
7 #- PUT YOUR PAYDOWN RULE BELOW HERE
8 Bio(IO)=max2(S_IO(t)-vsum(1,3,Bio),0);
9 #SHIFTINT[$,(10%AA,10%A)];#
10 SEQUENTIAL[$,AA,A,B];
11 WATERFALL[$,(IO,AA),A,B];
12 Erbw(IO)=vsum(AA,3,Erbw);
13 #-----
14 Bio(RESID)=S_PI(t)-vsum(1,NBD,Bio)-vsum
15 RULEEND; t=t+1;
16

```

An 'Index Editor' window is open, displaying a table of indexes and their rates:

File	INDEX_DSCR	INDEX_RATE
1	FED_FUND	3.5
2	TSY_3MO	5.03
3	TSY_6MO	5.54
4	TSY_1YR	6.04
5	TSY_2YR	7.2
6	TSY_3YR	7.393
7	TSY_5YR	7.78
8	TSY_10YR	8.01
9	TSY_30YR	8.13
10	COF11	3.946
11	PRIME	7.75
12	LIBOR_1MO	5.6875
13	LIBOR_3MO	6.3125
14	LIBOR_6MO	6.75
15	LIBOR_1YR	6.313
16	YEN	4
17	FNMA_30YR	4
18	PIBOR_1MO	3.5
19	TBA	4
20	TWCP_3MO	2.4
21		0
22		0
23		0
24		0
25		0

Users can set the various indexes to be used via the 'Index Editor'. Multi-indices are possible with the Financial Securitizer.



The 'Data Import' function enables users to import large amounts of data, thus helping to save time, reduce errors, and improve overall efficiency.

A Complete Reporting Solution for Completing a Deal

- Financial Securitizer provides four types of reports for primary securitization: Pricing Report, Price/Yield Table, Cash Flow Table, and Decrement (DEC) Table.
- Each report is time-stamped and lists the scenario and market environment used to build it.
- All of the reports can be saved and printed. In addition, cash flows can be exported to Microsoft Excel for further analysis.

Financial Securitizer

Pricing Report - arm demo

File

Dealname: arm demo
 Settlement: Jul-01-2004 Orig. Settle: Jul-01-2004
 Cut-off: Jul-01-2004
 1st Pay: Aug-15-2004 Stated Delay: 44
 Scenario 1: Base Case - No Prepayment, No Default.

Tranche	Amount (\$)	Coupon (%)	Price (%)	Benchmark (%)	Spread (bps)	Yield (%)	WAL (yr)	Window (yr)
COLLATERAL	\$100,000,000.00	4.00000	100.000000	4.3033	-28.79	4.0154	11.40	20.00
SNR AA	\$72,000,000.00	2.80000	100.347953	4.0013	30.00	0.0000	8.81	15.83
JNR A	\$18,000,000.00	3.00000	99.290593	4.5537	60.00	0.0000	17.30	2.83
M/R NR	\$10,000,000.00	4.40000	98.820242	4.6417	200.00	0.0000	19.38	1.42
IO Strip	\$100,000,000.00	1.00400	8.077872	4.3033	-80.33	3.5000	11.40	18.00

Tranche	M.dur (yr)	Cvx	PO_sum (\$)	IO_sum (\$)	PEN_sum (\$)	Proceeds (\$)	Accrued (\$)	\$Val_1_BP (\$)	%P&I (%)
COLLATERAL	8.60	1.09	\$100,000,000.00	\$45,435,279.03	\$0.00	\$100,000,000.00	\$0.00	\$85,965.32	100.0
SNR AA	7.51	0.80	\$72,000,000.00	\$17,688,292.03	\$0.00	\$72,250,525.95	\$0.00	\$54,267.03	61.7
JNR A	13.31	2.14	\$18,000,000.00	\$9,322,743.21	\$0.00	\$17,872,306.83	\$0.00	\$23,790.27	18.8
M/R NR	12.76	2.14	\$9,959,627.07	\$8,509,562.76	\$0.00	\$9,882,024.22	\$0.00	\$12,613.81	12.7
IO Strip	5.62	0.51	\$0.00	\$9,955,053.97	\$0.00	\$8,077,871.58	\$0.00	\$4,541.03	6.8

Benchmark Yield Curve

Term:	0.08	0.25	0.50	1.00	2.00	5.00	10.00	30.00
Treasury:	0.897	0.897	0.981	1.235	1.814	3.222	4.244	5.092
Swap:	1.154	1.168	1.216	1.439	2.140	3.575	4.614	5.380

----- Proceeds -----

Bond Proceeds: \$108,082,728.58
 Bond Accrued: \$0.00
 Prcds+Accr: \$108,082,728.58

----- Costs -----

Col. Proceeds: \$100,000,000.00
 Col. Accrued: \$0.00
 Prcds+Accr: \$100,000,000.00

----- Profitability -----

Ready. F:\marketing\source\my_deal1.bfs Edited

The 'Pricing Report' allows users to compare and debug the structure and the behavior of the deal. Bond pricing information, total proceeds...

Financial Securitizer

Pricing Report - arm demo

File

Tranche	M.dur (YR)	Cvx	PO_sum (\$)	IO_sum (\$)	PEN_sum (\$)	Proceeds (\$)	Accrued (\$)	\$Val_1_BP (\$)	%P&I (\$)
COLLATERAL	8.60	1.09	\$100,000,000.00	\$45,435,279.03	\$0.00	\$100,000,000.00	\$0.00	\$85,965.32	100.0
SNR AA	7.51	0.80	\$72,000,000.00	\$17,688,292.03	\$0.00	\$72,250,525.95	\$0.00	\$54,267.03	61.7
JNR A	13.31	2.14	\$18,000,000.00	\$9,322,743.21	\$0.00	\$17,872,306.83	\$0.00	\$23,790.27	18.8
N/R NR	12.76	2.14	\$9,959,627.07	\$8,509,562.76	\$0.00	\$9,882,024.22	\$0.00	\$12,613.81	12.7
IO Strip	5.62	0.51	\$0.00	\$9,955,053.97	\$0.00	\$8,077,871.58	\$0.00	\$4,541.03	6.8

Benchmark Yield Curve

Term:	0.08	0.25	0.50	1.00	2.00	5.00	10.00	30.00
Treasury:	0.897	0.897	0.981	1.235	1.814	3.222	4.244	5.092
Swap:	1.154	1.168	1.216	1.439	2.140	3.575	4.614	5.380

----- Proceeds -----

Bond Proceeds:	\$108,082,728.58
Bond Accrued:	\$0.00
Prcls+Accr:	\$108,082,728.58

----- Costs -----

Col. Proceeds:	\$100,000,000.00
Col. Accrued:	\$0.00
Prcls+Accr:	\$100,000,000.00

----- Profitability -----

External Fee:	\$4,000,000.00
Arbitrage:	\$4,082,728.58
Arbitrage (%):	4.08
Col. Breakeven:	104.082729
Tax Benefit:	\$5,581,697.28
Arb. w/ Tax Gain(%):	9.66
Breakeven w/ Tax Gain:	109.664426

Time stamped: May-25-04 15:30:32
Analysis Provided by BFS Engine, Version 6.61

Ready. F:\marketing\source\my_deal1.bfs Edited

... and transaction costs are calculated to give users a Profit/Loss analysis. Each run of the deal creates a different report.

Financial Securitizer

Action Edit View Tools Help

Price/Yield Report - arm demo

File

DEAL: arm demo Internal Report, DO NOT DISTRIBUTE

SETTLE: Jul-01-2004 CLASSDEF: SMR AA

DATED: Jul-01-2004 CUR BALANCE: \$72,000,000

NEXT PAY: Aug-15-2004 CUR COUPON: 2.80000

ACT. DELAY: 14

Yield to Maturity is Corporate Bond Equivalent

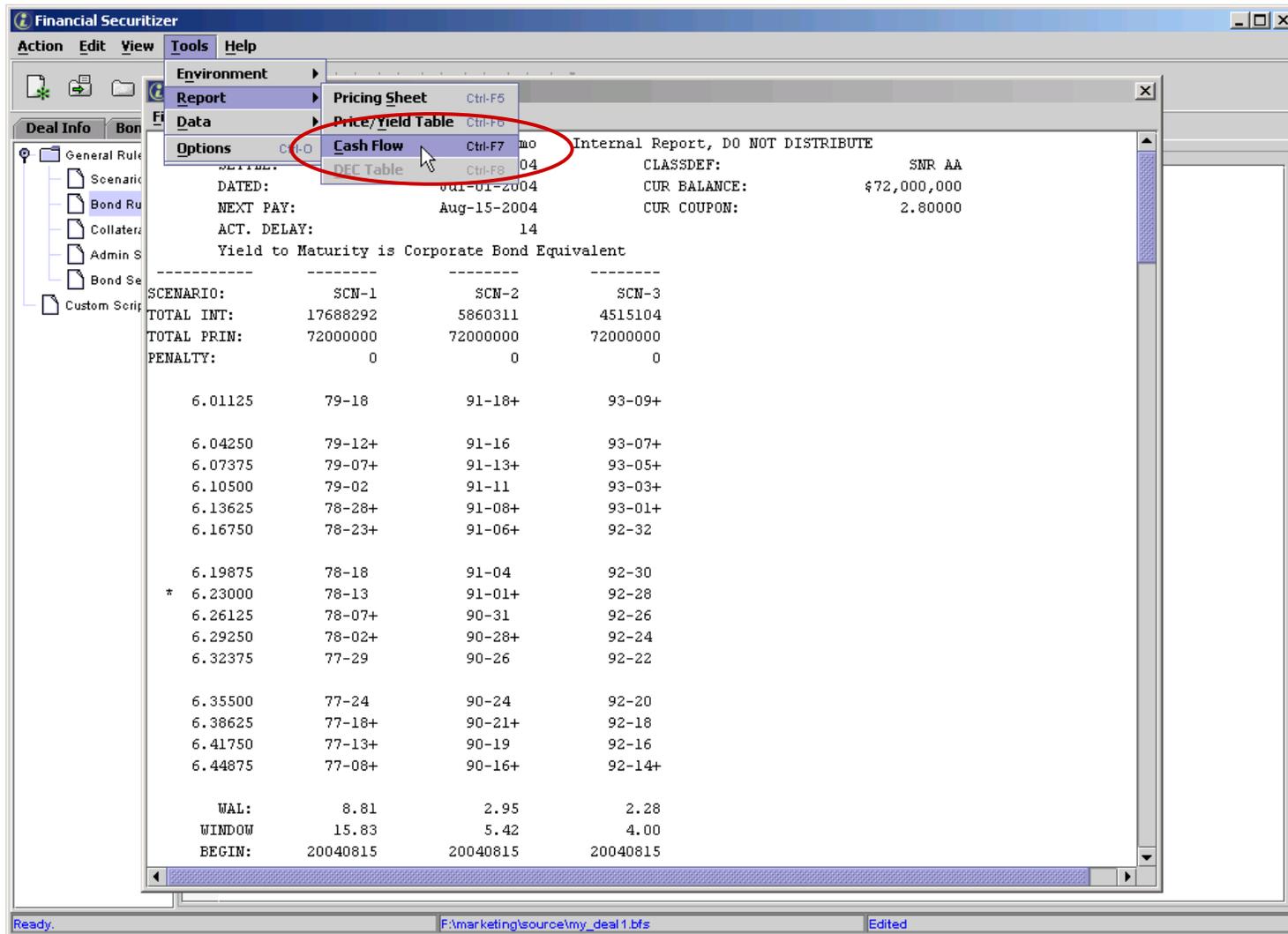
SCENARIO:	SCN-1	SCN-2	SCN-3
TOTAL INT:	17688292	5860311	4515104
TOTAL PRIN:	72000000	72000000	72000000
PENALTY:	0	0	0
6.01125	79-18	91-18+	93-09+
6.04250	79-12+	91-16	93-07+
6.07375	79-07+	91-13+	93-05+
6.10500	79-02	91-11	93-03+
6.13625	78-28+	91-08+	93-01+
6.16750	78-23+	91-06+	92-32
6.19875	78-18	91-04	92-30
* 6.23000	78-13	91-01+	92-28
6.26125	78-07+	90-31	92-26
6.29250	78-02+	90-28+	92-24
6.32375	77-29	90-26	92-22
6.35500	77-24	90-24	92-20
6.38625	77-18+	90-21+	92-18
6.41750	77-13+	90-19	92-16
6.44875	77-08+	90-16+	92-14+
WAL:	8.81	2.95	2.28
WINDOW	15.83	5.42	4.00
BEGIN:	20040815	20040815	20040815

Ready F:\marketing\source\my_deal1.bfs Edited

Users can also generate the Price/Yield Table, a multi-scenario table report where each column is executed with a different scenario. This is a Price/Yield Table generated with three scenarios.

DEC Table - arm			
File			
20160715	27	0	0
20170715	20	0	0
20180715	12	0	0
20190715	4	0	0
20200715	0	0	0
20210715	0	0	0
20220715	0	0	0
20230715	0	0	0
20240715	0	0	0
WAL:	8.10	2.44	1.78
CLASSDEF:		JNR A	
SCENARIO:	1	2	3
20040701	100	100	100
20050715	100	100	100
20060715	100	100	100
20070715	100	100	100
20080715	100	100	95
20090715	100	100	22
20100715	100	62	0
20110715	100	10	0
20120715	100	0	0
20130715	100	0	0
20140715	100	0	0
20150715	100	0	0
20160715	100	0	0
20170715	100	0	0
20180715	100	0	0
20190715	100	0	0
20200715	85	0	0
20210715	51	0	0
20220715	17	0	0
20230715	0	0	0
20240715	0	0	0
WAL:	16.49	5.70	4.07

The Decrement (DEC) Table shows the remaining balances represented in percentages of their starting balance. This report is used by underwriters to include in the prospectus.



Financial Securitizer

Environment
Report
Data
Options

Pricing Sheet Ctrl-F5
Price/Yield Table Ctrl-F6
Cash Flow Ctrl-F7
DFC Table Ctrl-F8

Internal Report, DO NOT DISTRIBUTE

CLASSDEF: SNR AA
CUR BALANCE: \$72,000,000
CUR COUPON: 2.80000

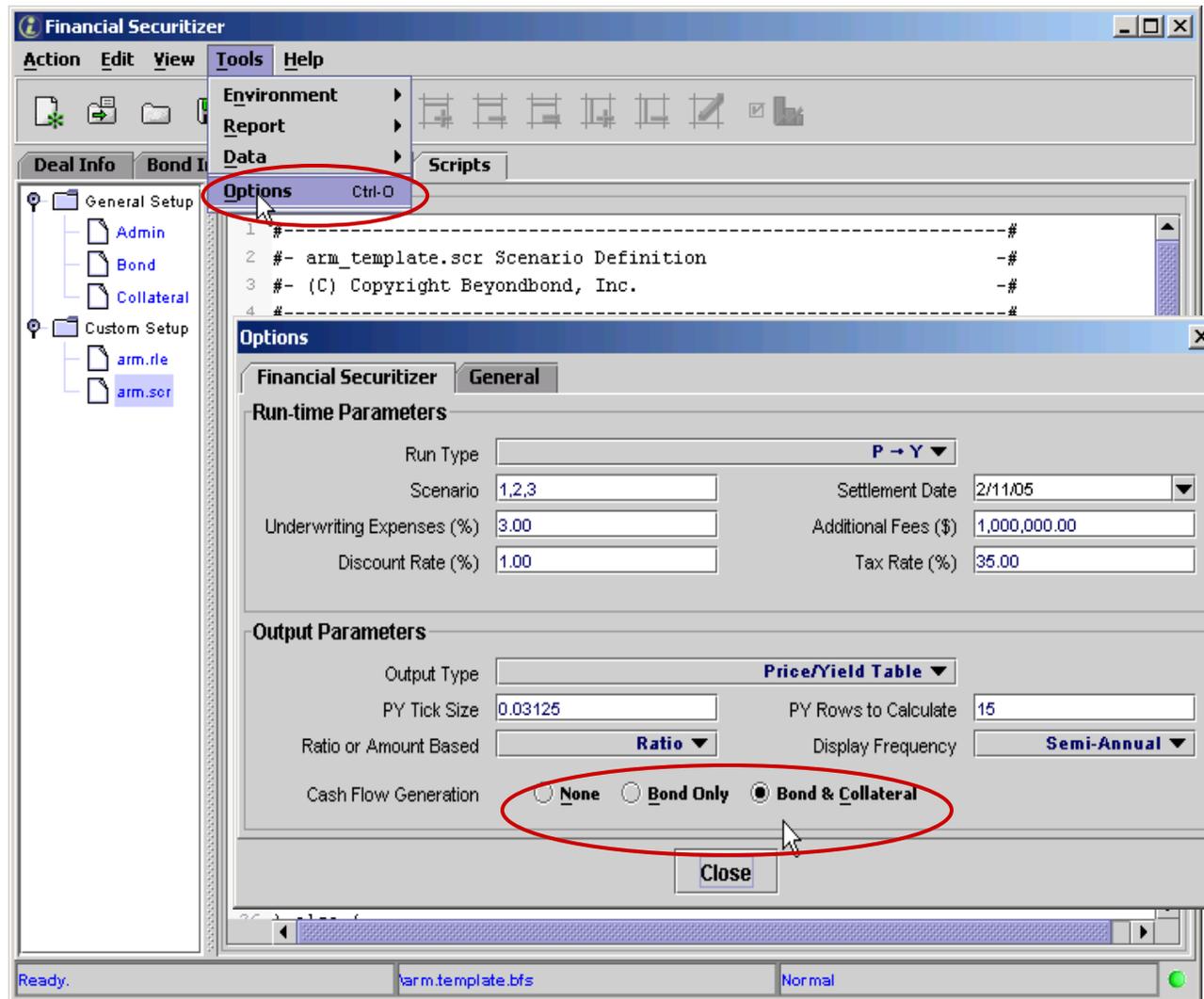
DATED: 01-01-2004
NEXT PAY: Aug-15-2004
ACT. DELAY: 14

Yield to Maturity is Corporate Bond Equivalent

SCENARIO:	SCN-1	SCN-2	SCN-3
TOTAL INT:	17688292	5860311	4515104
TOTAL PRIN:	72000000	72000000	72000000
PENALTY:	0	0	0
6.01125	79-18	91-18+	93-09+
6.04250	79-12+	91-16	93-07+
6.07375	79-07+	91-13+	93-05+
6.10500	79-02	91-11	93-03+
6.13625	78-28+	91-08+	93-01+
6.16750	78-23+	91-06+	92-32
6.19875	78-18	91-04	92-30
* 6.23000	78-13	91-01+	92-28
6.26125	78-07+	90-31	92-26
6.29250	78-02+	90-28+	92-24
6.32375	77-29	90-26	92-22
6.35500	77-24	90-24	92-20
6.38625	77-18+	90-21+	92-18
6.41750	77-13+	90-19	92-16
6.44875	77-08+	90-16+	92-14+
WAL:	8.81	2.95	2.28
WINDOW	15.83	5.42	4.00
BEGIN:	20040815	20040815	20040815

Ready. F:\marketing\source\my_deal1.bfs Edited

The Cash Flow reports enable users to see how each bond and collateral pay down during their life. The Cash Flow Table becomes a useful marketing report and an invaluable debugging tool.



Since generating cash flows takes a little more time than the other reports, users are given a choice whether to create them or not. This feature can be turned on or off from the 'Options' dialog.

Financial Securitizer
Cash Flow Report

File

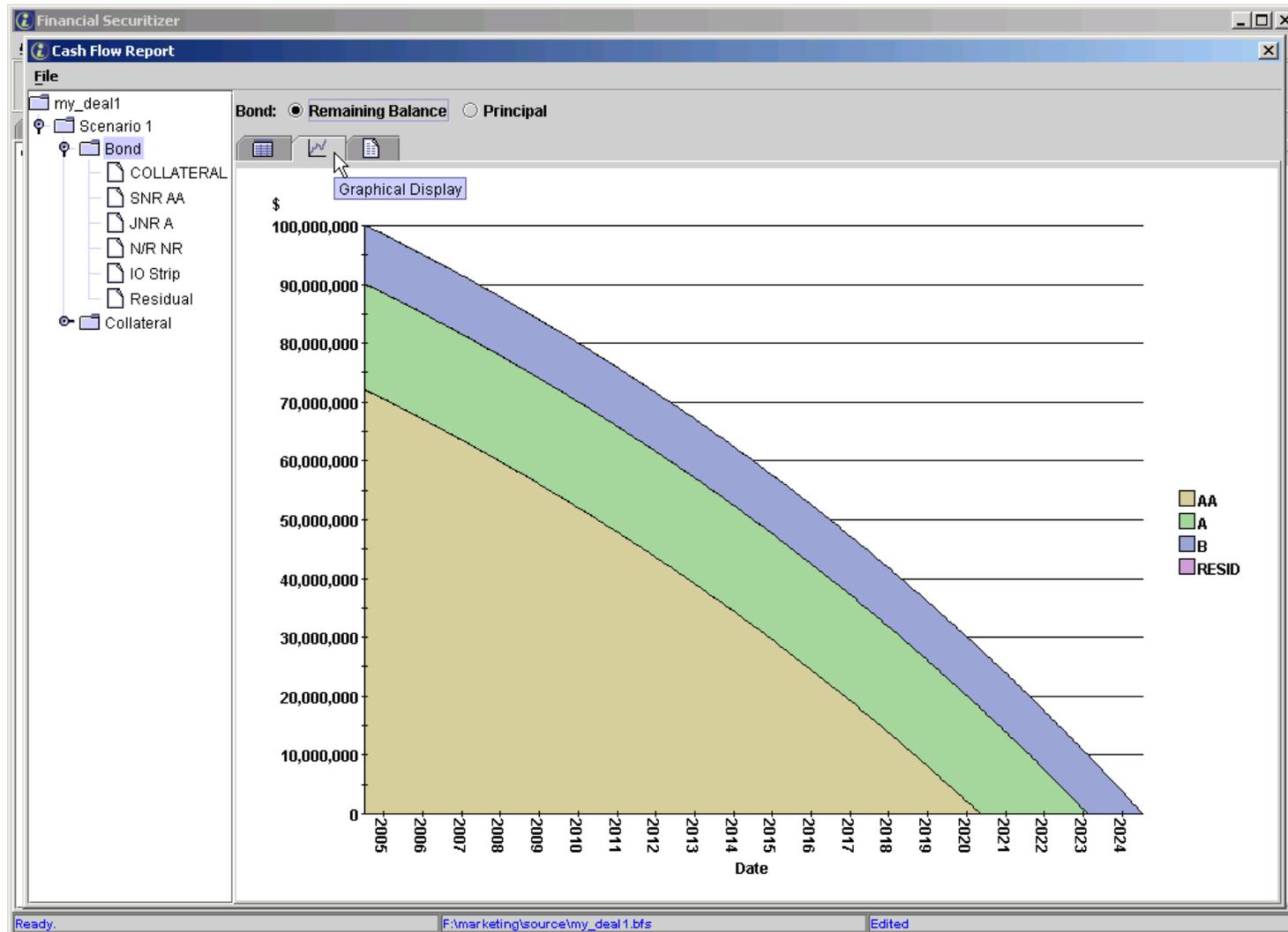
- my_deal1
 - Scenario 1
 - Bond
 - COLLATERAL
 - SNR AA
 - JNR A
 - N/R NR
 - IO Strip
 - Residual
 - Collateral

Bond: Remaining Balance Principal

Date	AA	A	B	RESID
Jul 1, 2004	72,000,000.00	18,000,000.00	10,000,000.00	0.00
Aug 15, 2004	71,727,353.00	18,000,000.00	10,000,000.00	0.00
Sep 15, 2004	71,453,797.18	18,000,000.00	10,000,000.00	0.00
Oct 15, 2004	71,179,329.51	18,000,000.00	10,000,000.00	0.00
Nov 15, 2004	70,903,946.95	18,000,000.00	10,000,000.00	0.00
Dec 15, 2004	70,627,646.44	18,000,000.00	10,000,000.00	0.00
Jan 15, 2005	70,350,424.93	18,000,000.00	10,000,000.00	0.00
Feb 15, 2005	70,072,279.35	18,000,000.00	10,000,000.00	0.00
Mar 15, 2005	69,793,206.62	18,000,000.00	10,000,000.00	0.00
Apr 15, 2005	69,513,203.65	18,000,000.00	10,000,000.00	0.00
May 15, 2005	69,232,267.33	18,000,000.00	10,000,000.00	0.00
Jun 15, 2005	68,950,394.56	18,000,000.00	10,000,000.00	0.00
Jul 15, 2005	68,667,582.21	18,000,000.00	10,000,000.00	0.00
Aug 15, 2005	68,383,827.16	18,000,000.00	10,000,000.00	0.00
Sep 15, 2005	68,099,126.25	18,000,000.00	10,000,000.00	0.00
Oct 15, 2005	67,813,476.34	18,000,000.00	10,000,000.00	0.00
Nov 15, 2005	67,526,874.27	18,000,000.00	10,000,000.00	0.00
Dec 15, 2005	67,239,316.85	18,000,000.00	10,000,000.00	0.00
Jan 15, 2006	66,950,800.91	18,000,000.00	10,000,000.00	0.00
Feb 15, 2006	66,661,323.26	18,000,000.00	10,000,000.00	0.00
Mar 15, 2006	66,370,880.67	18,000,000.00	10,000,000.00	0.00
Apr 15, 2006	66,079,489.94	18,000,000.00	10,000,000.00	0.00
May 15, 2006	65,787,087.85	18,000,000.00	10,000,000.00	0.00
Jun 15, 2006	65,493,731.14	18,000,000.00	10,000,000.00	0.00
Jul 15, 2006	65,199,396.58	18,000,000.00	10,000,000.00	0.00

Ready. F:\marketing\source\my_deal1.bfs Edited

Cash flow summaries for bonds and collaterals ...



... and the corresponding graphs can be generated to see the effects of payments.

- **Live and Dynamic Information**

- As part of Beyondbond's web-enabled i-Platform, Financial Securitizer allows users in geographically dispersed locations to access the same system in real-time.

- **Comprehensive yet Easy-to-learn Transaction Modeling**

- Financial Securitizer uniquely conveys our specialists' in-depth expertise in ABS, MBS, and structured product modeling.

- **Convenience and Flexibility**

- Its advanced user interface makes Financial Securitizer easy to navigate, while the supporting tools allow users to extend their analysis.

- **Seamless Integration**

- Financial Securitizer fully integrates with any user's transaction modeling tools and can be customized to best meet our clients' specific needs.

- **New Business Capabilities**

- Financial Securitizer handles all types of collaterals, so, as your portfolio grows, this system will grow with your organization.

- New York-based, securitization consultant and fixed income solutions and technology provider
- Former investment bankers with extensive structured finance experience
- Specialists in business integration, fixed income real-time trading, and structured finance transaction

For Additional Information or Live Demo on Financial Securitizer

please contact

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