Developed with input from accounting and regulatory industry experts, and based on FinancialCAD’s industry standard analytics, The Perfect Hedge represents an easy way for companies to source the historical market data and calculations required by new risk management and accounting regulations.
The Perfect Hedge

Features & Benefits

Use a proven online service to value and measure risk on hedges and derivative portfolios. Access market data, hedge effectiveness measurement, and scheduled calculations.

Derivatives and Securities Valuation
Get started now. Access The Perfect Hedge immediately for trial or use
1. Use the world’s leading library of independent valuation models.
3. Create aggregate views while being able to drill down by currency, asset class or individual trade.

Hedge Effectiveness Testing
Subscribe to a proven service with a 3-year track record of auditable calculations
1. Solve a challenging documentation and reporting requirement.
2. Perform prospective and retrospective hedge effectiveness tests.
3. Manage and store large volumes of historic data including curve data.

Scenario Testing
Know your costs. Get unlimited calculation access for a single monthly fee
1. Stress test your portfolio valuations with interest rate, FX, or price shocks.
2. Apply historical scenarios to your current portfolio.
3. ASP solution enabling controlled access to secure data store.

Value at Risk
Eliminate the risks of working with large, custom spreadsheets
1. Generate Parametric or historical VaR reports.
2. Track and store historical portfolio values.
3. Rely on documented industry standard analytics, practices and techniques.

Market Data
Save time by accessing organized market and value-added data
1. Data includes FX rates, commodities prices, interest rates, volatilities and holiday lists as well as generated interest rate curves.
2. Current and historic end-of-day market data, dating back to 12/31/99.
3. The Perfect Hedge data and services can be accessed through Microsoft® Excel by using FinancialCAD’s Fincad® XL (a Microsoft Excel add-in) to connect to The Perfect Hedge.

Asset Coverage

FIXED INCOME SECURITIES AND DERIVATIVES
- Bonds and Amortizing Bonds
- Floating Rate Notes
- Amortizing FRNs
- Callable Bonds
- Convertible Bonds
- Custom Bonds
- Freestyle Bonds

INTEREST RATE SECURITIES AND DERIVATIVES
- Treasury Bills
- Commercial Paper
- Bankers Acceptances
- Certificates of Deposit
- Euro Deposits & Loans (eg. LIBOR)
- Interest Rate Swaps
- Forward Rate Agreements
- Caps and Floors
- European Swaptions

FOREIGN EXCHANGE DERIVATIVES
- FX Forwards
- Puts and Calls
- Options (exotic)

COMMODITY DERIVATIVES
- Commodity Forwards
- Commodity Futures
- Puts and Calls
- Options (exotic)

Custom Solutions

Using The Perfect Hedge technology, FinancialCAD performs custom project work including:
1. In response to specific client requirements
FinancialCAD works to add functionality to The Perfect Hedge subscription service.
2. For over 4 years FinancialCAD has successfully developed and operated dedicated custom web services for clients including Ernst & Young, LLP, Allied Irish Bank and Cain Brothers & Company, LLC.
FinancialCAD has consistently exceeded our expectations for expertise and customer service over several years of providing web services technology and market data to our bank.

Patrick Boylan
Allied Irish Bank, International Financial Services, Dublin Ireland

The Perfect Hedge provides a transparent, cost effective and accurate solution for our business need to measure and report hedge effectiveness for our swap portfolio.

Mike Clifford,
Vice President, Business Solutions
Israel Discount Bank of New York

IR Cashflow Hedge
Published 3/23/04, 3:59:01 PM PST for

Hedge Specifications
Name:  "FIN-1122" swap
Hedge Objectives:  "hedger of interest rate exposure on FIN-1122" swap
Hedge Period:  1/31-2000
Hedge Method:  "Hedge Ratio of swap value to notional value of swap"
Hedge Ratio:  1.000
Hedge Related Costs:  5.00000

Underlying Instrument (Variable Rate Bond)

<table>
<thead>
<tr>
<th>Date</th>
<th>Trade</th>
<th>Fraction to be Hedged</th>
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<tbody>
<tr>
<td>1/31-2000</td>
<td>100%</td>
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</table>

Hedging Instrument (Fixed/Floating Swap)

<table>
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</thead>
<tbody>
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<td>1/31-2000</td>
<td>Swap B/1091.15% pay fixed</td>
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Prospective Testing

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<th>Date</th>
<th>Hedge Testing Date</th>
<th>Prog. Eff. Criterion</th>
<th>Correlation</th>
<th>R-Squared</th>
<th>Effective</th>
<th>Slope</th>
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<tbody>
<tr>
<td>1/31-2000</td>
<td>1/31-2000</td>
<td>Squared</td>
<td>0.564600</td>
<td>0.888888</td>
<td>0.999999</td>
<td>1.234567</td>
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<tr>
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<td>Squared</td>
<td>0.768903</td>
<td>0.888888</td>
<td>0.999999</td>
<td>1.234567</td>
</tr>
</tbody>
</table>

Retrospective Dollar Offset (Interest Cost)
The cashflows in each row are for the period ending on the green date.

Accounting Entries (Measurement of Ineffectiveness)
The values in each row are as of the green date.
The Perfect Hedge - Online Solutions for Your Business

Corporate Treasury
As one of the world's largest distributors of forest and agricultural products North Pacific Group was faced with a common, not easily solved problem for corporate treasurers - independent valuation and hedge effectiveness measurement for a swaps portfolio. The Perfect Hedge permitted treasury staff at North Pacific Group to test the solution before subscribing and continues to provide scheduled calculations to meet compliance reporting demands.

Market Data
International Fund Services needed a reliable provider of daily market data for the calculations IFS provides to their hedge fund clients. Fincad Market Data Service has provided the solution.

Custom Web Service to International Client Base
Allied Irish Bank anticipated a growing need amongst their treasury outsourcing clients. Meeting the IAS 39 and FAS 133 requirements for fair-value and hedge effectiveness measurement was an onerous new reality for AIB clients. A custom web service powered by The Perfect Hedge is meeting these client needs and aiding new client adoption for AIB’s treasury outsourcing business.

A free trial subscription of The Perfect Hedge is available at www.fincad.com or call a FinancialCAD representative to learn more.

USA/Canada 1-800-304-0702   London 020-7495-3334   Europe 00-800-304-07020