



Derivative™



TreppDerivative™ is a powerful tool for navigating the complex world of CMBS Credit Default Swaps. With the explosive growth in the global CDS market and the recent concern with underwriting standards the need for surveillance has never been greater.

Underwriters, traders, investors, hedge funds and CDO managers reduce operational risk, increase workflow efficiency and deal intelligence by leveraging TreppDerivative's flexible interface to manage CDS exposure. TreppDerivative incorporates Trepp's industry leading, proprietary technology and definitive CMBS Deal Library to support the creation, surveillance and valuation of CMBS CDS, including:

- Single name CDS
- Bespoke baskets
- CMBX and ECMBX indices
- Synthetic CDO's

Benefits of Using TreppDerivative

Contract Creation

TreppDerivative has an easy-to-use interface where clients can:

- Create and manage contracts
- Share information internally and with counterparties
- Create and send ISDA confirmation forms
- Upload previously created CDS positions in bulk
- Manage contacts and email lists

The screenshot displays the TreppDerivative web application interface. It features a navigation menu at the top with options like 'MAIN', 'CONTRACTS', 'BOOKS', and 'HERE TODAY'. The main content area is divided into several sections:

- Contract Creation:** Includes fields for 'Single Name' (CMBX or Basket), 'Select An Existing Contract', and 'Select An Item' for various contract types like CDS, Basket, B-Place Protection, etc.
- Surveillance:** Contains two tables:

LARGEST DETERIORATION IN CREDIT QUALITY	Deal Name	# of Contracts	Last Updated	No Increase in DDY (Deal Book Index)
HMC 2006 T21.0	1	01/01/07	1.13	
CPMC 2007 F.1	1	01/01/07	0.80	
HEFC 2006-2	1	01/01/07	0.46	
CPMC 2006-3	1	01/01/07	0.39	
HMC 2007 T20	1	01/01/07	0.30	
LCMHT 2006-1	1	01/01/07	0.28	
CD 2007-1	1	01/01/07	0.03	

LARGEST IMPROVEMENT IN CREDIT QUALITY	Deal Name	# of Contracts	Last Updated	No Decrease in Subscriptions
WBCHT 2005-1.6	1	01/01/07	4.47	
BACH 2006-1	1	01/01/07	2.90	
SECC 2005-1	1	01/01/07	2.67	
WBCHT 2005-1.7	1	01/01/07	1.57	
BACH 2006-2	1	01/01/07	0.84	
SECC 2005-0.8	1	01/01/07	0.84	
SECC 2005-0.9	1	01/01/07	0.84	
- Utilities:** Includes 'Setup Alerts', 'Manage Contracts', and 'QUICK SEARCH' with filters for Bonds and Deals.
- Deal List:** A table listing various deals with columns for Deal Name, Deal Manager, and other details.

Valuation and Analytics

The product allows investors to value CDS contracts and evaluate price sensitivity using either a contingent claim or net present value approach.

Clients may also run stress tests on the collateral of underlying references obligations such as, defaulting individual loans or groups of loans at specific loss severities and dates in order to:

- Project contract payouts
- View the overall Carry and cashflow projections across a book of holdings

Using breakeven analysis, investors can see at what default rate the credit enhancement on the underlying reference obligation would erode and floating payments would occur.

Current subscribers of Trepp's CMBS Web Analytics™ product have the ability to toggle between applications in order to make use of their advanced scenarios in either platform.

Surveillance

Already committed to providing the CMBS market with vital, up-to-date information, Trepp consistently processes and distributes deal updates as soon as they become available. Depending on the deal, this is several days prior to the actual CDS payment date.

By leveraging Trepp's industry leading technology, investors can:

- Monitor recent CDS credit events
- Track material changes in the collateral backing the reference obligations
- Create customized email alerts to receive notices as soon as Trepp updates the CMBS deals

Additional features allow clients to:

- View loan detail and stratification reports for the underlying reference obligations, including delinquency data and servicer watchlist commentary
- Review deal documents such as prospectuses and remittance reports
- Access Trepp's CMBS Deal SnapshotsSM for all related reference obligations

As the exclusive cashflow provider to Markit (www.markit.com), the CMBX and ECMBX Indices administrator, Trepp's CMBS cashflows represent not just the industry standard for the cash CMBS market, but for the emerging global derivative market as well.

Contact Us

As the leading provider of CMBS and commercial mortgage information, analytics and technology, Trepp is committed to providing cutting-edge, quality solutions to the securities and investment management industry worldwide.

To learn more about any of our innovative products and services, please call us at 212.754.1010 (in North America) or at 44 (0) 20.7621.2075 (in Europe). You may also visit us on the web at www.trepp.com.



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