



# Fixed Income

The Fixed Income module covers instruments traded in the global debt markets. Open-ended design permits virtually any fixed income security to be traded and immediately processed. Features include: real-time inventory of buy/sell and collateral positions; full capabilities for price/yield/discount calculations; and position and counterparty exposure management.

## Fixed Income Functions

### Transactions

- Buy/sell outright
- When issued
- Repo/reverse all currencies
- Borrow/lend securities
- Sell/buy-backs
- OTC bond options
- Options on bond futures

### Pricing

- Price/yield calculations supported for all major currencies and all fixed income securities
- New fixed income securities types set up quickly using tables
- Pricing integrated across bond, repo, futures and options markets
- Matrix pricing uses multiple-benchmark curves to price off-the-run issues, corporates, etc.
- Ability to receive online price feed
- Pricing of over-the-counter bond options using links to option on bond futures volatilities

### Portfolio Strategies

The portfolio architecture separates strategic centers for performance and management control.

- Investment: long-term positions, accrued at yield-to-maturity, managed with duration
- Mark-to-market: a trading book marked in real time at market prices

- Matched book: a repo/reverse trading book that earns an accrual spread
- Collateral financing: a net long/short position in each issue across all trading desks. Positions at each desk can be automatically flattened at the end of the trading day using dealer-specified rates
- Stress analysis: User-stress scenarios can be run in addition to scenarios based on performance history

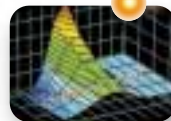
### Analytics

- Duration and convexity of portfolio or individual security positions
- Yield-curve sensitivity to multiple-shift scenarios
- Par swaps, bond or bond-future equivalents used for hedging
- Delta and vega risk of options
- Counterparty exposure due to under-collateralised positions



### Sample Instruments

- Government issues in all major currencies
- Corporate, industrial and municipal securities
- Eurobonds
- Floating rate notes
- Structured notes and CDs
- Commercial paper
- Embedded put/calls
- Embedded caps and floors
- Emerging markets, including Brady bonds



## Wall Street Systems

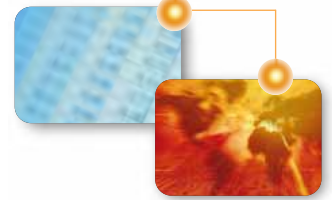
Wall Street Systems delivers unparalleled excellence in treasury operations to world-class financial institutions. This is achieved through close partnerships with clients, superior industry expertise, and future-oriented, fully-integrated, no-compromise products. For treasuries opening new markets through e-commerce delivery channels, Wall Street Systems offers the superior power needed to leverage treasury business and maximize competitive positioning. With a successful track record spanning 15 years and a staff of more than 250 consultants and engineers, Wall Street Systems currently serves the world's largest financial institutions and corporate treasuries by providing feature-rich treasury services to more than 50 countries.

### The Wall Street System

The Wall Street System defines market leadership. It is the only totally-integrated treasury engine that manages all front, middle and back office operations on a global scale; the only choice for seamless handling of all currencies, all financial products, all credit, market and operational risk controls, and all accounting, confirmation and cash-management processes. The trading capability has limitless flexibility and capacity for growth. New and exotic financial instruments can be added instantly, and risk metrics are updated constantly, 24 hours a day, seven days a week.

The system is battle tested. It has proven itself over more than a decade of grueling front-to-back, straight-through processing in some of the world's most powerful and demanding treasuries. Right now, every day, at more than 150 sites throughout the world, The Wall Street System trades instruments with a financial value exceeding a trillion dollars. Each day, operational settlements exceed \$100 Billion.

Today, as world treasuries enter a new century driven by the engine of e-commerce, Wall Street Systems' comprehensive product and secure Internet delivery capability sets The eTreasury Standard.



## Wall Street Systems Data Sheets

### Trading Management

- Exchange Traded Futures and Options
- Fixed Income
- Foreign Exchange
- FX OTC Options
- Internet Limit Orders
- Internet Trading
- Issuing Debt and Commercial Paper
- Money Markets

### Risk Management

- Counterparty Credit
- Money-at-Risk

### Operations Management

- Accounting
- Cash Management
- Confirmation
- FAS 133
- Settlement

### Technology

- Application Programming Interface
- Relational Database
- Technology

### Rapid Application Deployment

- WSS<sup>BMP</sup> Best Market Practices
- WSS<sup>PRO</sup> Implementation and Project Management
- WSS<sup>SERVE</sup> Services
- WSS<sup>TOOLS</sup> Tools for Implementation, Integration and Validation

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