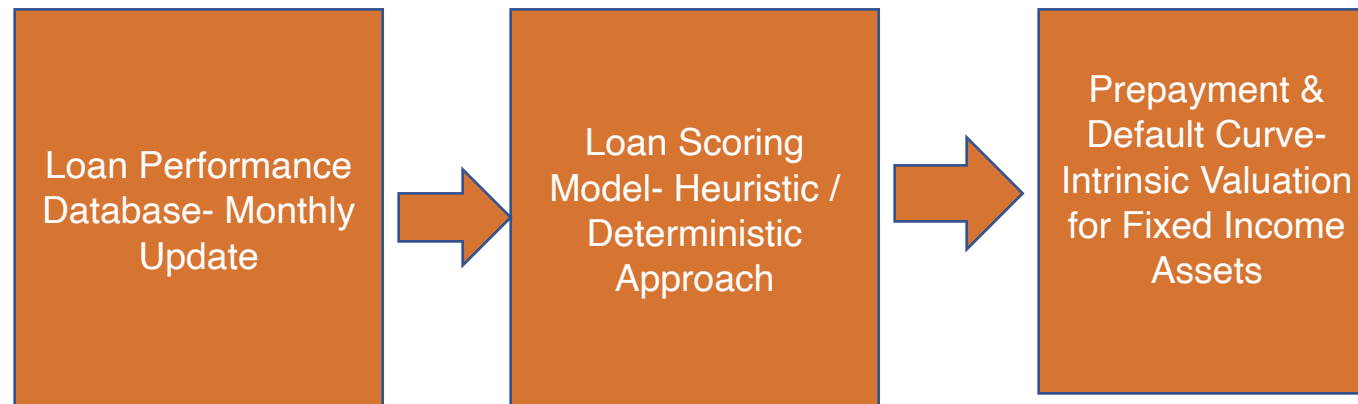


Case Study 3: Advisory & Intrinsic Valuation of RMBS

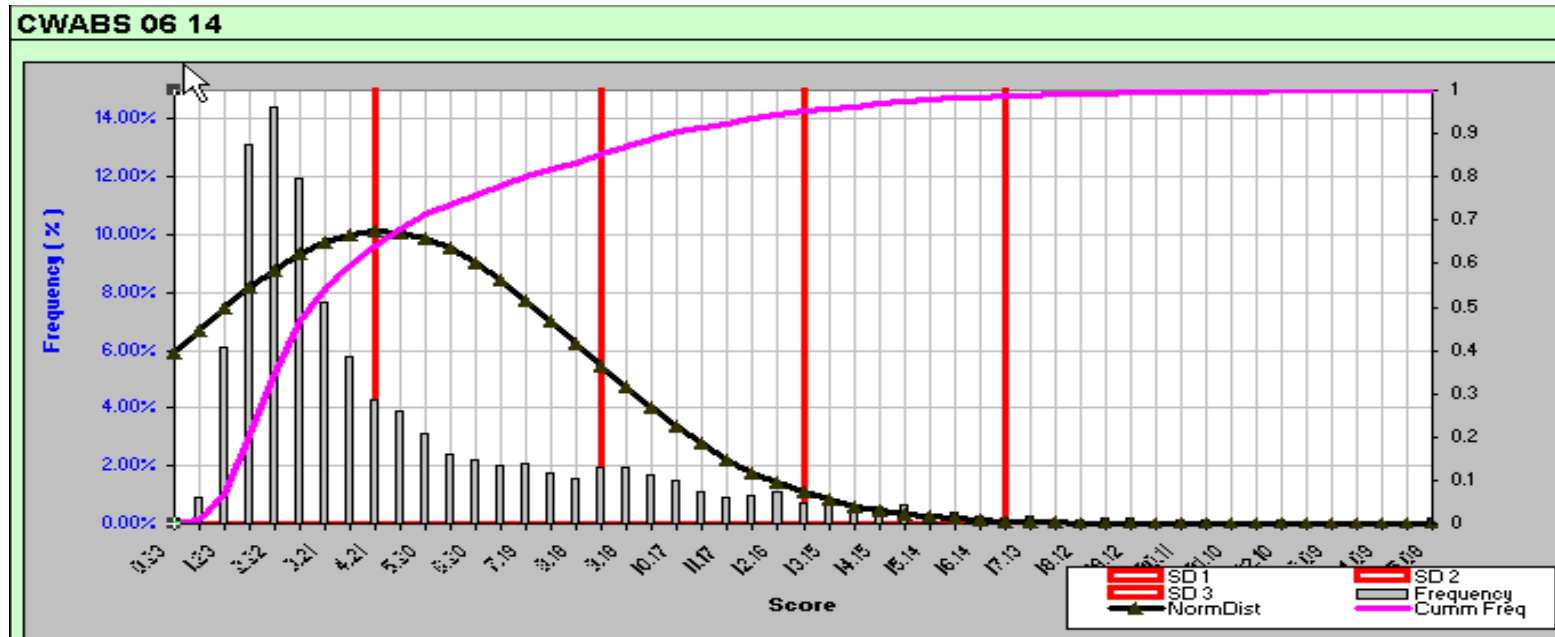
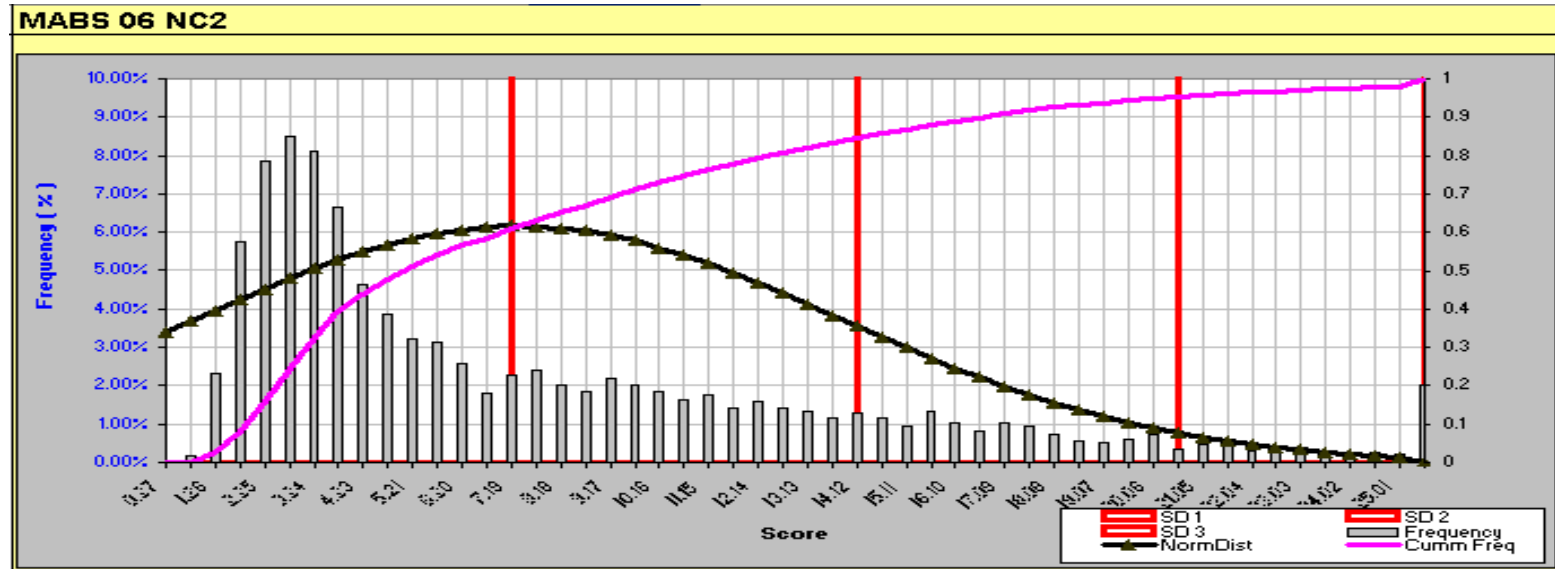
This project was carried for pension funds backed by Home equity loans / Residential Mortgage Backed Securities (RMBS) and Asset Backed Securities (ABS) Collateralized Debt Obligations (CDOs) backed bonds for Sovereign clients & Insurance company.

Client: One of the largest financial institution in US

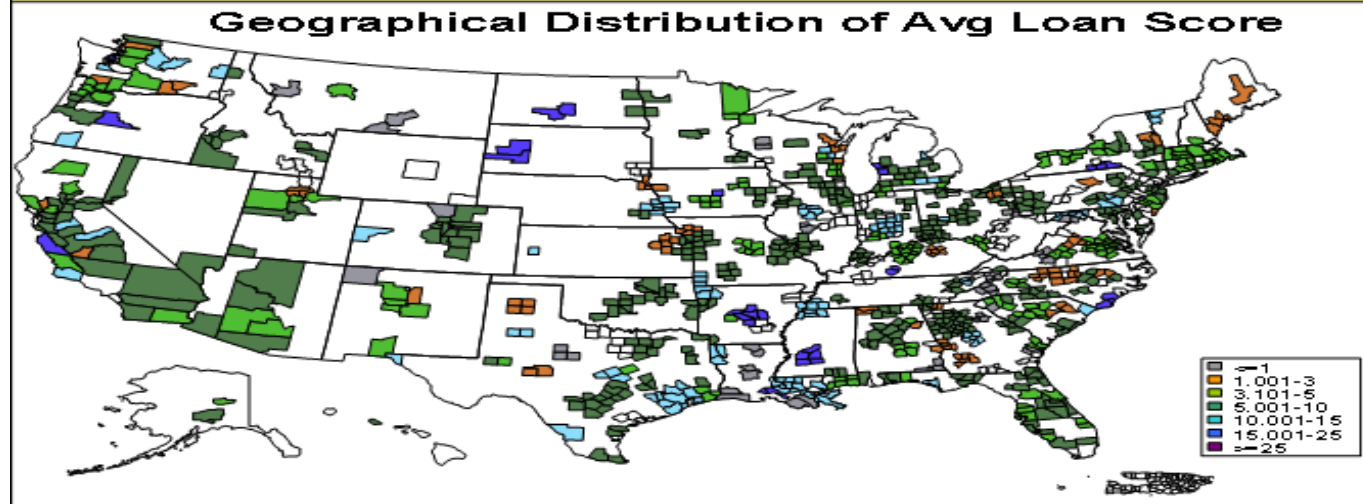
Our Approach was based on mortgage modeling and loan level approach to get the credit views at the bottom level on different economical parameters. And building Loan Score based credit Model for doing intrinsic valuation for pension funds backed by RMBS/ABS-CDOs backed bonds traded in non agency deals in the secondary market.



Normal, Frequency and Cumulative Distribution of Loan Scores with Standard Deviation Multiples

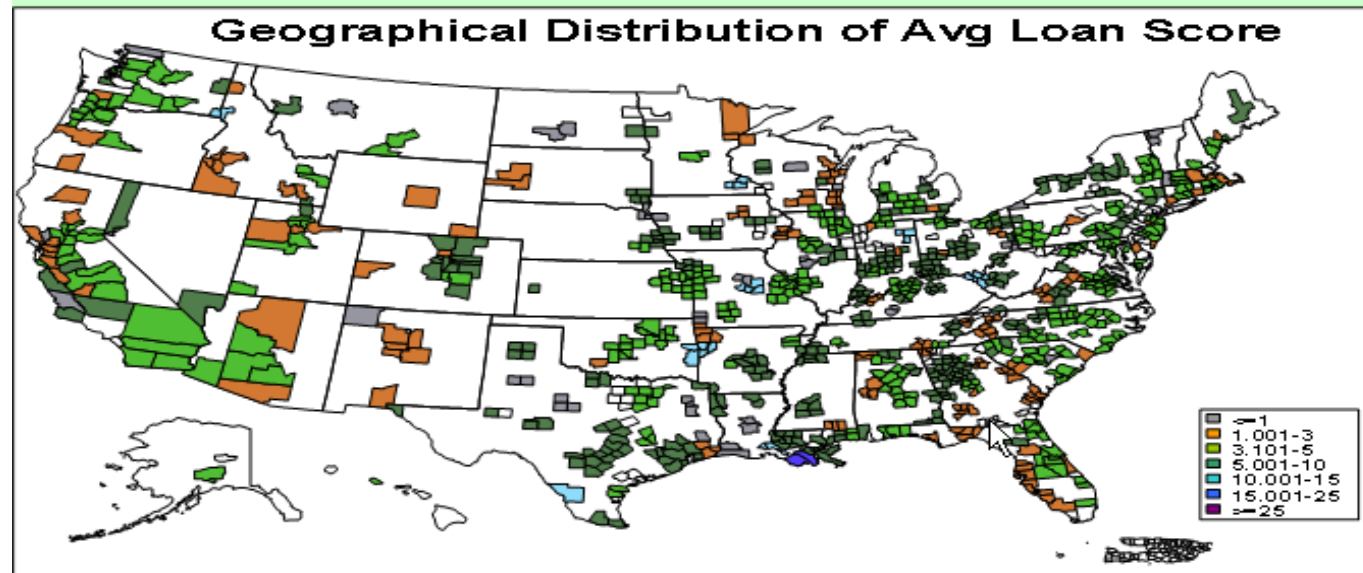


MABS 06 NC2



Geographical
Distribution of
Loans Scores
across all MSAs

CWABS 06 14



Quartile and Standard Deviation Multiples Level

<i>PARAMETERS</i>	MABS 06 NC2				CWABS 06 14			
	Quartiles							
	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile	1st Quartile	2nd Quartile	3rd Quartile	4th Quartile
Loan Count	1217	1217	1217	1218	1282	1281	1282	1282
Aggregate Balance	\$273,305,014.85	\$251,436,604.18	\$204,529,646.81	\$171,018,245.13	\$301,991,789.04	\$243,282,797.61	\$224,715,808.53	\$206,594,120.61
% of Deal	30.36%	27.93%	22.72%	19.00%	30.92%	24.91%	23.01%	21.15%
VA Score	1.74	3.43	7.41	15.80	1.13	2.12	3.87	9.83
Median Score	1.79	3.35	7.33	15.29	1.21	2.13	3.76	9.09
Skew	-0.39	0.43	0.14	1.80	-0.59	0.12	0.44	2.15
SD	0.50	0.65	1.67	5.50	0.33	0.30	0.88	3.72
Maximum Score	2.51	4.83	10.56	54.20	1.65	2.69	5.80	41.98
Minimum Score	0.27	2.52	4.84	10.59	0.23	1.65	2.69	5.81
FEMA %	17.03%	15.30%	16.55%	16.23%	13.85%	14.17%	14.36%	16.93%
63 Weak MSA %	6.29%	8.85%	8.83%	7.61%	3.68%	7.19%	10.17%	13.97%
	Tail Risk							
	Mean + 1 SD	Mean + 2 SD	Mean + 3 SD	Outside 3 SD	Mean + 1 SD	Mean + 2 SD	Mean + 3 SD	Outside 3 SD
Loan Count	1048	542	166	70	894	526	194	80
Aggregate Balance	\$174,316,880.90	\$71,594,094.11	\$19,227,232.37	\$6,526,875.53	\$145,941,165.19	\$88,894,093.95	\$29,867,657.55	\$9,909,917.84
% of Deal	19.36%	7.95%	2.14%	0.72%	14.94%	9.10%	3.06%	1.01%
VA Score	10.22	16.33	22.89	31.47	6.06	9.83	13.74	20.43
Median Score	10.05	16.37	22.67	30.19	5.95	9.74	13.65	18.42
Skew	0.23	0.34	0.37	1.95	0.25	0.36	0.38	2.62
SD	1.82	1.81	1.81	5.36	1.16	1.12	1.05	4.56
Maximum Score	13.80	20.25	26.67	54.20	8.25	12.19	16.11	41.98
Minimum Score	7.33	13.81	20.29	26.95	4.32	8.26	12.20	16.15
FEMA %	16.35%	17.05%	18.97%	16.88%	13.77%	17.46%	23.42%	21.84%
63 Weak MSA %	5.92%	8.31%	9.01%	16.89%	11.79%	12.97%	13.48%	27.15%

Loan Characteristics, Borrower Characteristics and Economic Parameters

MABS 06 NC2	Loan Purpose	Occupancy	Documentation	Property Type	IO	Loan Size	FICO	CLTV	Composite Econometric
WA Score	1.36	1.02	1.35	1.09	1.01	0.82	1.03	1.18	1.04
Median Score	1.11	0.97	1.46	1.00	1.00	0.83	0.96	1.02	1.00
Skew	-0.15	2.55	-0.97	1.53	3.07	1.14	0.78	0.09	1.22
SD	0.36	0.14	0.21	0.17	0.03	0.22	0.32	0.40	0.15
Maximum Score	1.76	1.49	1.46	1.50	1.10	1.48	2.10	1.68	1.65
Minimum Score	0.77	0.97	1.00	1.00	1.00	0.73	0.51	0.48	0.70

CWABS 06 14	Loan Purpose	Occupancy	Documentation	Property Type	IO	Loan Size	FICO	CLTV	Composite Econometric
WA Score	1.33	0.96	1.26	1.04	0.96	0.88	0.97	1.17	0.98
Median Score	1.11	0.97	1.46	1.00	1.00	0.83	0.96	1.02	1.00
Skew	-0.15	2.55	-0.97	1.53	3.07	1.14	0.78	0.09	1.22
SD	0.36	0.14	0.21	0.17	0.03	0.22	0.32	0.40	0.15
Maximum Score	1.76	1.49	1.46	1.50	1.10	1.48	2.10	1.68	1.65
Minimum Score	0.77	0.97	1.00	1.00	1.00	0.73	0.51	0.48	0.70