

GlobeOp's processing service for over-the-counter (OTC) derivative transactions, provides an innovative outsourced solution to hedge and mutual fund requirements for pricing, document & collateral management, settlement and risk reporting infrastructure.

Based on a robust, scalable, web-based system, GoOTC is an efficient and market-tested alternative to the cumbersome Excel spreadsheets that challenge many fund managers and their operations teams.

Each day GlobeOp processes approximately 1300 OTC trades – approximately 3% of the global daily volume, including more than 60 distinct instruments. (Source: ISDA statistics)

Through a secure web portal, fund managers access a “plug and play” middle-back office solution with the capacity and instrument coverage to cope with the demands of market volume, pricing complexity and risk reporting. Standardized data and processes minimize operational and settlement risks related to inaccurate trade entry, reconciliation and liquidity. In addition, GoOTC provides on-line access to critical data for fund risk managers and financial control teams. Using GoOTC can help reduce technology-related investment, enabling funds to focus on their core business of raising capital and generating returns.

Fund managers served by the GoOTC system benefit from a transparent, real-time view of the five key factors in effective OTC derivatives processing and risk management:

- Trade capture
- Operations – settlement, cash reconciliation
- Collateral management including valuation
- Documentation management
- Valuation – independent pricing, risk reporting

When combined with GoRisk Reports™, the GoOTC system supports mutual fund compliance with UCITS III requirements in Europe for accurate, verifiable and independent daily valuations and risk reporting.

Both GoOTC and the UCITS III package of GoOTC and GoRisk Reports can be further enhanced with the addition of GoQuote, a web-based front-end pricing service for OTCs and other illiquid, manually-priced instruments. A data consolidation solution, GoQuote enables OTC derivatives traders to more efficiently and effectively view, manage and analyze electronic pricing messages and bid/offer prices on a single easy-to read grid.

GoOTC, GoQuote and GoRisk Reports are available either on a standalone basis or as part of GlobeOp's overall middle-back office & administration services.

Transaction Processing

Clients access GoOTC services & reports through a dedicated, client-secure website Portal.

Trade Capture – GoOTC supports trade & life-cycle events, including partial & full terminations & assignments. Trades can be delivered through automated loads from most order management systems, via GlobeOp's direct links with T:Zero™ or direct input into Reuters' Trade@ccess™ booking system.

Confirmation – GlobeOp collects confirmation documentation for each OTC transaction & reconciles financial & economic details against the trade data before submitting the confirmation for client signature. Web-based access to GlobeOp's reports enables clients to monitor documentation status from the moment a trade enters the platform.

Trade Delivery – GlobeOp transmits trades to a client's fund administrator, prime broker, custodian & other internal systems.

Trades	Documentation	Payments	Exposure
Search	Trade Volume Report	Option Expiration Report	Audit Position Report

Credit Default Swap Trade Details - CRE: 2054			
GTID	CRE: 2054	Position Status	Open
Original GTID	CRE: 2054	Trade Status	Valid
Client Ref ID		Input Mode	Captured
Cpty Ref ID		Created	PSAMPSON 02-Jul-2007
Counterparty	JPMSLN JP MORGAN LONDON	Last Modified	ATENDULK1 09-Jul-2007
Client	MARKETING	Fund	MT
Business Unit	MT	Strategy	MARKETING
Prime Broker	TEST	Cash Account	TEST
Comments			
Trade Type	Credit Default Swap	Trade Date	02-Jul-2007
Direction	Sell	Effective Date	03-Jul-2007
Notional	10,000,000 USD	Maturity Date	03-Jul-2012
Remaining Notional	10,000,000 USD	Fixed Rate	5%
Underlying	XS0222208539 BACR VAR 29-JUN-2049		
Description	Sell Protection BARCLAYS BANK U MRSN CURVE / Receive 5.0%		

Trades	Documentation	Payments	Exposure
Search	Trade Volume Report	Option Expiration Report	Audit Position Report

Trade Volume Report							
Current filter - OTC Trade Volume Report - Client [MARKETING], Date Range [29-Jun-2007 - 06-Jul-2007]							
Trade Summary Trade Detail Position Summary							
Type	Originals	Exercises	Terminations	Partial Terms	Assignments	Partial Assigns	Total
Bond OTC Option	4	0	0	0	0	0	4
Cap/Floor	3	0	0	0	0	0	3
Credit Default Swap	4	0	0	0	0	0	4
Equity OTC Option	3	0	0	0	0	0	3
Equity Swap	9	0	0	0	0	0	9
FRA	1	0	0	0	0	0	1
FX OTC Option	9	0	0	0	0	0	9
Fx Forward	2	0	0	0	0	0	2
Fx Swap	1	0	0	0	0	0	1
Interest Rate Swap	13	0	0	3	0	0	16
Swaption	3	0	0	0	0	0	3
Total	52	0	0	3	0	0	55

Trades	Documentation	Payments	Exposure
Search	Board	Aging Report	

Documentation Search									
Current filter - Client[MARKETING], Trade ID Type[GTID], Date Type[Trade Event Date], From Date[27-Jun-2007], To Date[06-Jul-2007], ShowBy[Event GTID]									
Event GTID ID	Confirm Type	Confirm Status	Fund	Strategy	Counterparty	Product Type	National	Ccy	Description
CRE_2053	ORIGINAL	NEW	TEST	TEST	JPMSLN	Credit Default Swap	10,000,000	USD	Buy Protection AWOLD
CRE_2054	ORIGINAL	NEW	TEST	TEST	JPMSLN	Credit Default Swap	10,000,000	USD	Sell Protection BARCL
CRE_2055	ORIGINAL	NEW	TEST	TEST	JPMSLN	Credit Default Swap	10,000,000	USD	Sell Protection EIB 4%
EQO_338	ORIGINAL	NEW	QFSDMOE1	ING	ABHANY	Equity OTC Option	10,000	USD	Buy 3DSHOPPING.CO
EQO_339	ORIGINAL	DELETED	QFSDMOE1	ING	ABHANY	Equity OTC Option	10,000	USD	Buy 3DSHOPPING.CO
EQO_340	ORIGINAL	DELETED	QFSDMOE1	ING	ABHANY	Equity OTC Option	10,000	USD	Buy 3DSHOPPING.CO
EQO_441	ORIGINAL	NEW	ALEX	ALEX	ABNAAM	Equity Swap	2,000	EUR	Buy ACRES GAMING I
EQO_462	ORIGINAL	NEW	TRAINEE02	TRAINEE02	BARCLN	Equity Swap	1,414,096	GBP	Buy FTSE 100 INDEX
FRA_191	ORIGINAL	DELETED	BANKOBTSWP	BANKOBTSWP	AIOBLN	Fra	2,000	ARS	Buy ARS1M @ 0.0%
FXO_789	ORIGINAL	NEW	JRISK	JRISK	ABNALH	Fx OTC FxOption	6,122,449	USD	Buy European USD Put
FXO_790	ORIGINAL	NEW	JRISK	BCORBIN	ABNALH	Fx OTC FxOption	10,000,000	USD	Buy European USD Put
FXO_791	TERMINATION	NEW	JRISK	BCORBIN	XISSETUPXX	Fx OTC FxOption	106	USD	Buy European GBP Put
FXO_792	TERMINATION	NEW	JRISK	BCORBIN	XISSETUPXX	Fx OTC FxOption	106	USD	Buy European GBP Put
FXO_813	ORIGINAL	NEW	JRISK	BCORBIN	XISSETUPXX	Fx OTC FxOption	24,000	USD	Buy European GBP Put
IRS_2248	PARTIAL TERMINATION	NEW	OTC_TEST	OTC1	BARCLN	Interest Rate Swap	200,000	USD	/ Receive Fixed 4.0%
IRS_2249	PARTIAL TERMINATION	NEW	OTC_TEST	OTC1	BARCLN	Interest Rate Swap	2,000,000	EUR	Pay EUR13MD / Receiv

Settlements – GlobeOp confirms each cash flow with the relevant counterparties & prepares settlement invoices for client review. Once approved by the client, GlobeOp transmits them to the client's broker, custodian or fund administrator for cash movement.

Payment Status	Value Date	Amount	Currency	Counterparty	GTID	Product Type	Pay Type	Fund	Strategy	Cash Account
Outstanding	29 Jun 2007	-2,450,000.00	GBP	BARCLN	C06-115	Cap/Floor	Premium	TRAINEE01	TRAINEE01	GSNARD00P
Outstanding	27 Jun 2007	-4,188.89	USD	BARCLN	C06-116	Credit Default Swap	Interest	TRAINEE02	TRAINEE02	GSLOFSALPB
Outstanding	29 Jun 2007	-102,532.50	ADP	ABNAAM	C06-67	Credit Default Swap	Interest	B01	UETVSGILT	TEST
Outstanding	29 Jun 2007	-102,532.50	ADP	ABNAAM	C06-68	Credit Default Swap	Interest	B01	UETVSGILT	TEST
Outstanding	29 Jun 2007	-102,532.50	ADP	ABNAAM	C06-69	Credit Default Swap	Interest	B01	UETVSGILT	TEST
Outstanding	29 Jun 2007	-63.87	TRY	ATOBLN	E08-280	Equity Swap	Interest	08ZHHHHEW	OTC	GSLOFSALPB
Outstanding	29 Jun 2007	1,061,921.19	GBP	DEUTLN	18-2016	Interest Rate Swap	Interest	TRAINEE02	TRAINEE02	GSLOFSALPB
Outstanding	29 Jun 2007	3,092.66	USD	JFCHLN	18-1910	Interest Rate Swap	Interest	FIDELITY	FID_TEST	F0HNOCOMPB
Outstanding	29 Jun 2007	9,446.24	USD	MSDWHV	E08-188	Equity Swap	Interest	TRAINEE01	TRAINEE01	GSLOFSALPB
Outstanding	29 Jun 2007	-109,980.00	USD	MSDWHV	E08-188	Equity Swap	Interest	TRAINEE01	TRAINEE01	GSLOFSALPB
Outstanding	29 Jun 2007	31,756.98	USD	MSDWHV	E08-188	Equity Swap	Coupon	TRAINEE01	TRAINEE01	GSLOFSALPB
Outstanding	29 Jun 2007	-10,499.44	USD	MSDWHV	E08-81	Equity Swap	Interest	TRAINEE01	TRAINEE01	GSLOFSALPB
Outstanding	29 Jun 2007	-3,651,375.00	USD	MSDWHV	18-1705	Interest Rate Swap	Interest	B01	BRIDGWATER	TEST
Outstanding	29 Jun 2007	-2,704,722.22	USD	MSDWHV	18-1705	Interest Rate Swap	Interest	B01	BRIDGWATER	TEST
Outstanding	02 Jul 2007	5,154.44	USD	CITILN	18-1886	Interest Rate Swap	Interest	FIDELITY	FID_TEST	F0HNOCOMPB
Outstanding	02 Jul 2007	-23,710.43	USD	CITILN	18-1887	Interest Rate Swap	Interest	FIDELITY	FID_TEST	F0HNOCOMPB
Outstanding	02 Jul 2007	3,608.11	USD	CITILN	18-1888	Interest Rate Swap	Interest	FIDELITY	FID_TEST	F0HNOCOMPB
Outstanding	02 Jul 2007	-23,710.43	USD	GOLDLN	18-1312	Interest Rate Swap	Interest	FIDELITY	FID_TEST	F0HNOCOMPB
Outstanding	02 Jul 2007	204,251,986.00	JPY	JPMINY	18-1322	Interest Rate Swap	Interest	TRAINEE01	TRAINEE01	GSLOFSALPB
Outstanding	02 Jul 2007	204,251,986.00	JPY	JPMINY	18-1343	Interest Rate Swap	Interest	TRAINEE02	TRAINEE02	GSLOFSALPB
Outstanding	02 Jul 2007	270,317,200.00	JPY	JPMINY	18-1452	Interest Rate Swap	Interest	TRAINEE03	TRAINEE03	GSLOFSALPB
Outstanding	02 Jul 2007	270,317,200.00	JPY	JPMINY	18-1463	Interest Rate Swap	Interest	TRAINEE04	TRAINEE04	GSLOFSALPB

Position Maintenance

Reconciliation – GlobeOp performs cash, position & valuation reconciliations against the client's own trade capture system, administrator, counterparties or prime broker.

Valuations – Positions are priced daily using independent pricing sources. Valuations can be customized to individual client pricing policies administered by GlobeOp. This data can be viewed online & exported to various file formats.

Collateral Management – The exposure of OTC positions are monitored daily for collateral calls using GlobeOp's independent valuations. Incoming collateral calls are verified, & outgoing calls are calculated & agreed with counterparties per the client's ISDA Credit Support Annex. Once agreed, payment advices are prepared for client verification & approval of the respective cash movements. Upon approval, the advice is sent for processing to the client's prime broker, custodian and/or fund administrator. Clients can view their margin exposure online using GoCredit, a flexible reporting & monitoring tool displaying exposure by counterparty, instrument type & position. Initial margin payments are also processed via the same procedure listed above & are netted against any daily collateral movements.

Client	Fund	Exposure	Financing	Margin	Exposure	OTC/Fx	Margin	Initial Margin	Exposure	Total Exposure	Total
MARKETING	TRAINEE01(USD)	0	-9,858,000	0	-5,885,000	0	0	-15,743,000	-15,743,000	-15,743,000	-15,743,000
MARKETING	TRAINEE02(USD)	0	-13,203,000	0	-8,095,000	0	0	-21,298,000	-21,298,000	-21,298,000	-21,298,000
MARKETING	TRAINEE03(USD)	0	-11,770,000	0	-8,405,000	0	0	-20,175,000	-20,175,000	-20,175,000	-20,175,000
MARKETING	TRAINEE04(USD)	0	-11,770,000	0	-5,885,000	0	0	-17,655,000	-17,655,000	-17,655,000	-17,655,000
MARKETING	TRAINEE05(USD)	0	-8,630,000	0	-5,885,000	0	0	-14,515,000	-14,515,000	-14,515,000	-14,515,000
MARKETING	TRAINEE06(USD)	0	-11,770,000	0	-5,885,000	0	0	-17,655,000	-17,655,000	-17,655,000	-17,655,000
MARKETING	TRAINEE07(USD)	0	-13,980,000	0	-5,885,000	0	0	-19,865,000	-19,865,000	-19,865,000	-19,865,000
MARKETING	TRAINEE08(USD)	0	-12,620,000	0	-5,885,000	0	0	-18,505,000	-18,505,000	-18,505,000	-18,505,000
MARKETING	TRAINEE09(USD)	0	-11,770,000	0	-5,885,000	0	0	-17,655,000	-17,655,000	-17,655,000	-17,655,000
MARKETING	TRAINEE10(USD)	0	-11,770,000	0	-5,885,000	0	0	-17,655,000	-17,655,000	-17,655,000	-17,655,000
MARKETING	TRAINEE11(USD)	0	-11,770,000	0	-5,885,000	0	0	-17,655,000	-17,655,000	-17,655,000	-17,655,000
MARKETING	TRAINEE12(USD)	0	-14,185,000	0	-5,885,000	0	0	-20,070,000	-20,070,000	-20,070,000	-20,070,000

* All fund data shown is for illustration purposes only; no actual client data is shown

Reporting – A wide variety of reports can be customized to a client's exact requirements, including:

- ✓ Cash flows
- ✓ Counterparty exposures
- ✓ Daily profit and loss
- ✓ Documentation status
- ✓ Event management
- ✓ Reconciliation exceptions
- ✓ Risk exposures

Some reports are available online via the GlobeOp secure website; alternatively, they can be delivered automatically via email or FTP server to integrate with a client's infrastructure.

Static Data Maintenance – GlobeOp works with most industry-accepted identifiers including Bloomberg, CUSIP, ISIN, Markit RED™ codes, etc.

Event Management – GlobeOp processes all interest & coupon payments relating to OTC products. Floating rate reset reports & option expiry reports are made available to the client. If an option is exercised or a credit event or corporate action occurs, GlobeOp assists in processing the derivative position.

Risk – Risk data are provided overnight for positions. A comprehensive range of risk measures are available capturing the exposures & various market factors such as re-shaping of currency, equity markets, time-decay, volatility, yield curves & spreads, etc. Customized historical scenarios, risk measures & stress tests can also be provided. Risk data can be viewed online, automatically exported to the client's own systems.

The GlobeOp Control Environment

GlobeOp uses GoCheck™ to structure processes into tasks that are documented & assigned to groups of individuals. These tasks are monitored by online checklists accessible by GlobeOp team leaders & management as well as individual clients. Tasks are assigned deadlines & active management reviews. The GlobeOp internal assurance team regularly reviews these processes.

UCITS III

The scope of derivatives valued by GoOTC is also a timely response to European UCITS III regulations requiring accurate, verifiable & independent daily valuation of OTC derivative instruments. GoOTC, combined with GlobeOp's GoRisk Reports service, is a unique solution supporting mutual funds and custodian bank responses, to these requirements.

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