Investing in insurance-linked securities (ILS) can be a challenge to new entrants into the market. ILS offering materials are complex and opaque, and structured in reinsurance language, not fixed income language. Miu Pricing provides a simple, cost-effective solution to ILS challenges through comprehensive briefings, commentary, and analyses that support decision-making in both the primary and secondary cat bond markets.

Based on RMS models and the latest Swiss Re cat bond prices, and delivered in investor-friendly reports, Miu Pricing enables you to understand the relationship between prices, yields, and catastrophe risk. Miu Pricing distills cat bond offering materials into easily digested metrics and reports, which can also be used to complement and benchmark against internal bond evaluation metrics and systems.

**RMS MIU PRICING OFFERINGS**

<table>
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<tr>
<th>Offering</th>
<th>Description</th>
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<tr>
<td>Event-Based Cash Flow Simulation</td>
<td>The only offering in the marketplace that enables investors to really know what the bond is worth.</td>
</tr>
<tr>
<td>Transaction Summary Report (TSR)</td>
<td>Highlights the insights that matter about the structure and modeling of each cat bond.</td>
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<tr>
<td>Cat-Adjusted Spread</td>
<td>Equivalent to option-adjusted spread, this spread represents what investors are paid for in taking on the risk.</td>
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<td>Risk-Return Comparison Charts</td>
<td>For secondary marketing trading, these charts compare risk and return for every cat bond in the ILS universe.</td>
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<td>Live Catastrophe Reports</td>
<td>For live cat trading, these reports estimate default probabilities for all cat bonds while actual events unfold.</td>
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<td>Peril Region Spread Summary</td>
<td>Helps investors understand at-a-glance how much spread the ILS market is paying for each peril region.</td>
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THE FULL RISK-RETURN VIEW FOR ALL CAT BONDS

The Miu Pricing Report combines traditional fixed income analytics with RMS cat risk expertise for the complete cat bond risk-return perspective. The report delivers the complete picture of each bond’s economics by providing risk-adjusted price and yield metrics.

Metrics integrate the full power of RMS catastrophe models, Miu simulated cat bond scenarios, and risk analysis—all delivered in a spreadsheet report. No special software is required to access Miu Pricing reports—the analysis is delivered through the Miu Portal. Reports can be made available as text to integrate with internal systems.

Reports are issued monthly, or when changes to risk, new bonds, or significant cat events reach the market.

MIU PRICING DELIVERABLES

Miu Pricing Report
Cat bond market snapshot of risk-adjusted price and yield metrics:

- Z-Spread
- Risk premium (Cat-Adjusted Spread)
- Measure of catastrophe risk (Cat Cost)
- Probability the bond will extend beyond redemption (Extension Probability)

Analysis charts for bond maturities, implied risk premium, and Cat Cost vs. Z-spread.

New Bond Transaction Summary Report
Transaction summary reports comment on the structure of new cat bonds and offer insight into features, discrepancies, or issues following bond announcement.

Live Catastrophe Reports
Briefings on the potential market impact of catastrophe events as they occur.

Characterization Summaries
Characterization summaries provide original offering circular metrics and RMS catastrophe risk metrics and commentary for live cat bonds, cat model upgrades, and when bonds reset.

ABOUT RMS

RMS is transforming the insurance industry’s understanding and quantification of risk by delivering the world’s leading catastrophe risk models in a real-time risk management environment. Driven by innovation and backed by 25 years of risk management expertise, RMS solutions are trusted, reliable benchmarks for strategic risk pricing, management, and transfer.

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