



CreditSights

Research that guides
your investment and risk
management decisions

EQUITY MARKET INVESTORS

CreditSights is the leading independent research provider with its main offices in New York, London, and Singapore. Our mission is to provide value added input that helps our clients make prudent and profitable investment and risk management decisions consistent with their risk profiles.

Founded by a group of analysts in September 2000, the firm has grown from 8 original employees to over 120 employees world-wide. CreditSights is purely a research firm and does not underwrite securities or manage assets. Our research is distributed as a password-protected subscription service through our website www.creditsights.com.

CreditSights has been recognized multiple times as the top independent credit research provider by Credit Magazine in the US and Europe, against contenders that include the major rating agencies. Our research team of fundamental and quantitative analysts has both buy-side and sell-side experience across the global debt and equity markets. The team includes 7 former heads of research and multiple research award winners. Experience averages over 15 years, with most sector leaders benefiting from over 25 years of research experience.

- Our active coverage universe includes 750 of the most widely-traded names in the US and European markets across 40 industries and 7 broadly-defined sectors.
- We produce over 1,000 commentaries per month and our easily-searched archives contain over 120,000 articles.
- The quantitative credit risk models built by our Risk Products group provide a medium-term credit rating for over 1,600 companies and a short-term default probability for over 8,500 publicly-traded companies.

Our 1,000 institutional clients are based in the US, Europe, Middle East, Asia, and Australia; over 7,400 investment professionals and risk managers within these organizations are regular readers of our research. Our global institutional client base includes banks, investment advisors, mutual funds, pension managers, insurance companies, hedge funds, private equity investors, and corporations. Our sales team provides ongoing account management services and is dedicated to gauging our clients' requirements to help us evolve our product suite to meet their needs.

CreditSights integrates a broad cross-section of fundamental and quantitative disciplines to offer a suite of research services used by a wide range of institutional and corporate users.

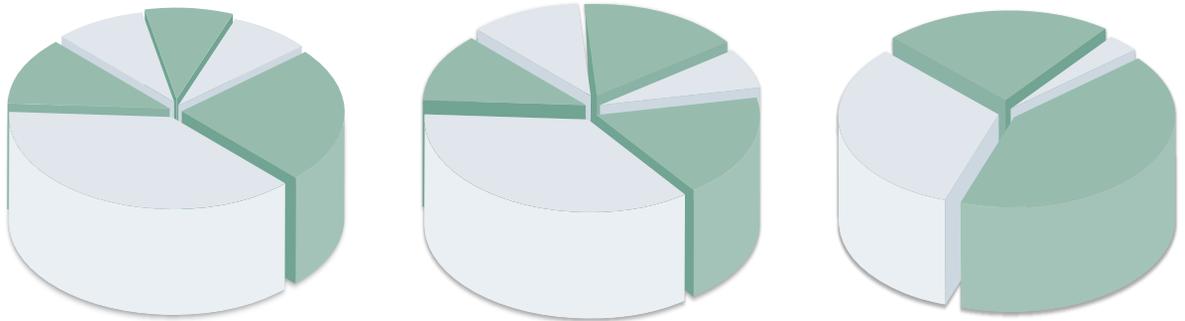
Customers run the gamut from owners of debt securities, loans, derivatives and structured finance products, managers of equity portfolios and hedge funds to corporate executives managing treasury assets, working capital, counterparty risk, and supplier chain exposure. Our workflow products can be as helpful to our clients managing their headcount and expense base as our research and risk products can be in helping them navigate increasingly complex markets.

INDEPENDENT, TIMELY, INSIGHTFUL, INTEGRATED

Our product mix is designed to extend from macro credit to sector risk assessment to micro-level security and company analysis. We also look to integrate across disciplines and leverage our fundamental research expertise while applying a rigorous set of proprietary quantitative models across the coverage universe. We are global in scope and our research cuts across issuers from multiple regions and those accessing markets in multiple currencies. We are a source of market-leading commentary on the credit crisis and the potential fallout from unprecedented market turmoil in both the debt and the equity markets. We also look to provide our customers with ongoing coverage of what may be the “sleepy names” or off-the-run issuers which may get put on the back burner by the banks or the rating agencies. In volatile markets where the crisis du jour tends to dominate man-hours, we also help clients avoid negative surprises that can come in under-researched names that are not actively traded or active issuers and thus are often neglected by the street or rating agencies.

EXTENSIVE MARKET COVERAGE

CreditSights offers market strategy, sector and company research – our top-down strategy work spans macro-level analysis of broad issues such as covenants and structural risks, M&A, leveraged buyouts, regulatory developments, and pension or legacy cost exposure. Topical work is complemented by analysis of the loan market and structured credit products. Our micro and company-level research coverage is broad based across both US and Europe and extends along the credit spectrum of industrials including automotive and manufacturing, commodity-based cyclicals, homebuilding, retail, consumer products, aerospace and defense, and the airline and transportation sector. We also cover telecom, media, technology, and various energy-related sectors including utilities, power, and oil and gas. Our experienced financial services team covers US and European bank issuers, insurance companies, REITs, monolines, and government-sponsored enterprises.



VALUABLE CREDIT PERSPECTIVE

Equity markets can pay a steep price when credit markets become increasingly volatile or if market access is impaired. Stock valuations globally were battered by US subprime mortgages and structured products; the impact on M&A trends, the cost of capital, systemic liquidity, and the risk appetites of traditional sources of debt and equity capital has been dramatic. Rising credit risk will translate into valuation differentials as financial risk evolves. Transmission mechanisms range from relative multiples based on credit quality, a reassessment of dividend safety, or the potential for revised growth strategies as capital budgets are sliced. An understanding of credit plays a key role in framing those issues. Refinancing risk is no longer simply a bondholder's problem. CreditSights' research on the most widely-traded names, industries and credit indices, coupled with our capital structure perspective is a must-have for equity investors. Default risk assessment frames a company's potential to breach its loan covenants, and what the likely response will be by lenders and management, making it an essential input into the stock picking process.

CHANGES IN CORRELATION ACROSS ASSETS AND REGIONS IS A NEW FACT OF LIFE

The global market crisis amply demonstrates links across different asset classes and regions. When the stock market tracks OIS and TED spreads – measures of bank lending activity and market liquidity – and volatility in credit default swap indices takes front stage on television, it is clear that different classes of investors and asset classes are inextricably connected. The multi-market leveraged investor is here to stay, even with some retrenchment, and the full range of cross-market trading strategies from credit to equity will be tracked by the more asset-class-constrained and long-only equity funds. Credit erosion is a leading indicator to “short target,” and “long-only” investors will follow credit risk developments. Our macro credit strategy work has never been more relevant to the equity investor. With unlevered equity returns available in credit asset classes, credit market trends will feed into asset allocation decisions of all asset managers and most certainly into the strategies followed by the equity portfolio manager.

OUR RESEARCH PRODUCTS

MORNING COMMENTS & DAILY ALERTS

Published weekdays at 6 a.m. in New York and 6 a.m. in London, our Morning Comments and Daily Alerts provide readers with detailed analysis of a wide range of topics to start their day. Our Morning Comments include sections on broad market strategy and market-relevant sector and company analysis while the Worth Watching section encapsulates value-added commentary on news items from the previous 24 hours. Given the volume and variety of research produced by our analyst team, the Morning Comments are accompanied by daily morning alerts to customers, which highlight additional company, sector, and macro pieces. We also provide convenient links each morning to all research that had been posted since the prior daily. During the course of the day, our analysts continue to publish timely research on issues and companies most affecting the market, and we send them to clients as soon as they go up on our website. Clients can elect by industry which intra-day alerts they want to receive.

TEARSHEETS

Tearsheets are standardized two-page summaries that address critical issues around a company's credit outlook, financial profile, operating trends, business mix, liquidity, capital structure trends, and exposure to event risk. These are updated on a quarterly basis and provide a financial and operating snapshot that are convenient for ongoing portfolio maintenance needs and risk monitoring. Tearsheets are produced for the most active and liquid issuers and are designed to save man-hours and enhance efficiency.

QUANTITATIVE RISK SURVEILLANCE & ANALYSIS: RISK PRODUCTS*

Our two groups of proprietary quantitative models provide an objective measure of credit risk for corporate and financial issuers. *CreditSights Ratings* produces a medium-term, standalone credit rating for over 1,600 firms in North America and Europe, unique ratings comments by CreditSights' analysts, and the ability to track analyst trading recommendations. *BondScore* is CreditSights' suite of short-term credit scoring models, which provides an estimate of the one-year forward probability of default (known as a Credit Risk Estimate or "CRE") for over 8,500 global companies, plus a unique short-term relative value trading signal. Clients can modify the model inputs in both Ratings and BondScore to reflect any anticipated scenario, and Ratings also offers a GDP scenario calculator. Quickly flag credits in your portfolio, dive in deeper with the help of our fundamental research offering, and filter across hundreds of credits to pinpoint opportunities based on multiple criteria. Work can be saved with ticker-based portfolios and changes tracked weekly. A weekly data feed is also available.

PREMIUM ADVISORY SERVICES*

Customized advisory service packages include analyst access by industry team or across the entire analytical staff. The service can include periodic conference calls, targeted company and sector level reports, and analyst presentations on issues most relevant to the client's needs and exposures. Clients have used such advisory services as a complement to their internal research and risk management capabilities.

** Risk Products and Premium services require a separate group license for access. Contact your sales representative for details.*

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