

REFINITIV EVALUATED PRICING SERVICE – MUNICIPAL BONDS

Providing clients with consistent and reliable pricing

Refinitiv Evaluated Pricing Service (EPS) provides evaluated pricing on approximately 2.6 million fixed income securities and derivatives, which includes over 1 million municipal bonds. Daily independent evaluations are generated based on direct and indirect observable trade data, market color and/or fundamental credit research for tax-exempt and taxable investment-grade bonds, high-yield bonds and structured products. Our clients include large-asset managers, wealth management firms, banks, insurance companies, fund administrators, auditors and risk managers.

FUNCTIONALITY AND FEATURES

Coverage

Coverage includes complete reference data, corporate actions and evaluated pricing on the full universe of municipal bonds. New issues are proactively evaluated as they come to market. EPS covers more than 1 million active municipal bonds.

Methodology

The foundation for Refinitiv's municipal investment-grade evaluations is a credit curve attribute model.

- Our database of trade data and market quotes allows us to construct relative value issuer and sector curves at a consistent spread to its rating curve
- All curves are normalized to a standard tax-exempt 5.00% coupon curve with 10-year call protection
- Each bond for a particular issuer is priced using the most appropriate credit curve, adjusted for its individual structural attributes
- Evaluators perform a rigorous quality assurance process throughout the day as new trade data is captured, comparing price delta to prior day end-of-day (EOD) prices

Experienced municipal team

- Consists of evaluators, data analysts and credit analysts
- Evaluators have over 15 years' average experience
- Experience in trading and portfolio management
- Includes muni credit analysts and quantitative analysts

Process

By capturing, reviewing and applying institutional trade observations (with par amounts greater than \$750 million) on the target security, we minimize the variance between an institutional trade price and the EPS EOD price. For bonds without direct observations, we:

- Utilize trade observations for that issuer (or issuers with comparable ratings and/or sectors) and construct relative value curves
- Apply the relative value curve reviewed by the evaluator to all outstanding fixed-rate bonds for that obligor
- Adjust all bonds on the curve for structural considerations, such as bonds with potential capital gains tax consequences or optionality

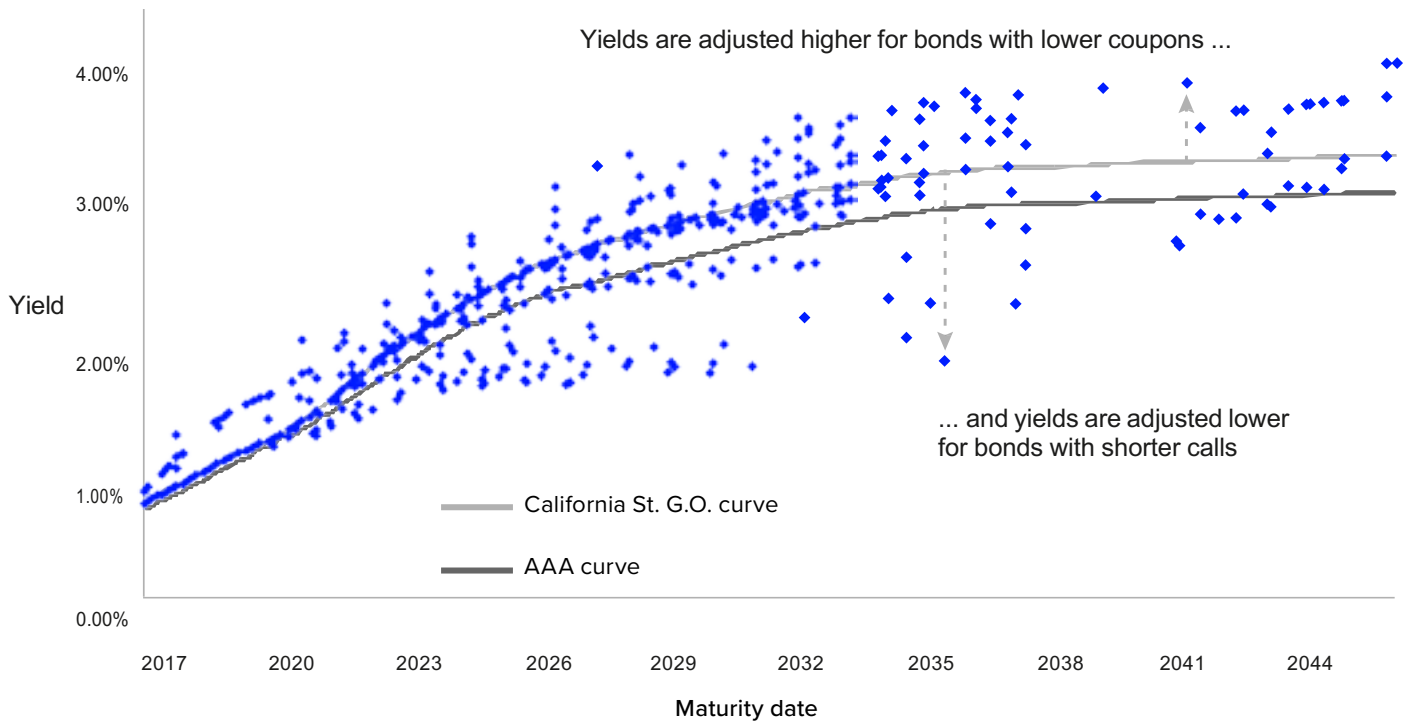
Competitive advantages

- **High-yield bonds:** perform fundamental credit research and provide rationale for prices
- **Muni derivatives:** compute prices for single and multiple collateral tender option bonds (TOB) trusts
- **Customer support:** access to evaluators and analysts for deep dives and inquiries

Customers

- Bond funds
- Wealth management firms
- Insurance companies
- Accounting firms
- Broker-dealers
- Banks

GRAPH 1: CREDIT CURVE ATTRIBUTE MODEL (STATE OF CALIFORNIA G.O. YIELDS)



Delivery and ease of use

- Municipal bond evaluations are delivered along with other asset classes shortly after the standard U.S. market snapshot times of 3:00 p.m. and 4:00 p.m. Eastern time (ET)
- Clients can extract price and reference data on a portfolio basis through Refinitiv DataScope Select or DataScope Onsite
- Refinitiv has over 10 years of price history available for taxable and tax-exempt municipal bonds
- Clients can submit price challenges through our Web portal and may request direct access to evaluators for additional color and clarification

To learn more about Refinitiv’s evaluated municipal bond pricing, contact your local sales representative or visit refinitiv.com/en/financial-data/pricing-data/municipal-bond-pricing-data

EPS trade database

- Secondary market trade data (MSRB feeds)
- New issues (EMMA feeds)
- Market quotes (broker-dealers)

Customer service tools

- DataScope price challenge request system
- Eikon platform
- Dedicated service specialists

Quality assurance and risk controls

- Intraday tolerance reports
- Outlier detection tools
- Dedicated compliance and controls officer

Refinitiv is one of the world’s largest providers of financial markets data and infrastructure, serving over 40,000 institutions in approximately 190 countries. It provides leading data and insights, trading platforms, and open data and technology platforms that connect a thriving global financial markets community – driving performance in trading, investment, wealth management, regulatory compliance, market data management, enterprise risk and fighting financial crime.

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