

Executive Overview

As developers of investment software that make the complex simple, TPG's mission encompasses providing software tools that support the complicated securities created by Wall Street, maintain solutions to comply with regulatory guidelines, and deliver products built on industry-standard software platforms such as Microsoft.

Company

Founded in 1991, TPG Software leads the way in developing creative software solutions for the financial industry. Banks, credit unions, thrifts, broker/dealer firms, municipalities, REITs, and financial advisors across the nation have turned to TPG's software package to support trading, comprehensive investment analysis, investment and derivative accounting, and risk management.

In 1999, TPG began its migration from a DOS platform to a Microsoft Windows-based platform, using Microsoft SQL and Visual Basic, and Crystal Reports as the reporting engine. The first product developed in this new environment was *Derivative Genius*[®], released in early 2000. With years of proven performance in the Windows-based environment, *Derivative Genius*[®], *Portfolio Genius*[®] and *Hedge Accounting*[®] have emerged as the premier tools to effectively account for and manage investments and derivative products.

Approach

We apply the power of the newest technologies to the financial spectrum. The installation and operation of our software applications result in a system that enables our clients to dramatically:

- Strengthen the accuracy of their accounting and reporting
- Improve operating efficiency
- Increase decision support capability

Future

TPG continually strives to provide our clients with comprehensive software solutions delivered on the latest technology platforms. We are pleased to announce the newest addition, the *TPG Trader*[®] system, to our family of Windows-based products. As a further product update, the Safekeeping system currently in development is scheduled for deployment in 2008.

Family of Products

Providing you software solutions to meet the challenges of today and the opportunities for tomorrow

Portfolio Genius

TPG's *Portfolio Genius*[®] is the leading investment management and accounting software solution for assets and liabilities. The objectives of the *Portfolio Genius*[®] system are to provide: **accuracy in accrual, accretion and amortization**, complying with the interpretation of Generally Accepted Accounting Principles (GAAP) for concessions on debt, fees, premiums, discounts and accrued interest (calculated using various day count methods); **accuracy in the maintenance, tracking and projection** of the financial terms of fixed-income securities related to principal and interest payments, coupon rates, rate resets, call dates, MBS and CMO factors, prepayment speeds, and maturities; and **automated back office functions** such as portfolio and business calendar maintenance, principal and interest payment calculations, and reconciliation.

Portfolio Genius Internal Modules

Application Security Module provides a logon validation process and works in conjunction with Microsoft Windows XP and Microsoft SQL Server 2000 and 2005 security implementations.

Report Manager Module supplies tools to manage your reports—apply filters and set date parameters, create batches, roll reports into holding company reporting, create consolidated reports, create graphs, add custom reports, and more. The Report Manager Module uses Crystal as the report writer.

General Ledger Module provides a means to manage the chart of accounts, with no limit to the number of line items for either the balance sheet or the income statement.

Pledge/Safekeeping and Collateral Tracking Module provides a means to manage pledge and safekeeping information and track collateral on repurchase agreements and reverse repurchase agreements.

Payment Reconciliation Module provides a means to reconcile the amount of actual cash (principal and interest) received for a holding against anticipated amounts calculated on the holding and CUSIP data.

Regulatory Module supplies tools to support the various reporting requirements of the different regulatory agencies for banks, savings institutions, and credit unions.

Family of Products

Portfolio Genius Optional Modules

Analytics Module incorporates advanced analytics such as total return, projected cashflows, stressing a portfolio or position, and an internal Pricing Matrix model to price securities.

Export Builder Module a unique data export utility providing the ability to create your own custom extracts files to save and use repeatedly for your specific needs.

TPG Automation Tool Kit provides a means to set up and schedule certain events to occur automatically at specific times, such as importing and exporting files and running the process, and many more.

ePortfolio Module[®] drives a Web-based application empowering your customers to manage their portfolios via the Internet. Your clients can enter trade transactions, update pledge and safekeeping information, view their portfolio holdings information online, and manage and print reports.

Interfaces to Third Party Vendors

Interfaces to Data Vendors such as Bloomberg Data License, Bloomberg Trading, Interactive Data, Yield Book, etc. are available. The *PG CUSIP Builder for Bloomberg Data License or Interactive Data* eliminates the manual process of building CUSIPs by automating the CUSIP generation.

Interfaces to Asset/Liability Management systems such as: Bancware, QRM, Sendero-DMS, Plansmith, etc. are available. We will also create a custom interface in the event we do not already offer an interface to your A/LM system.

TPG Trader

The *TPG Trader*[®] system makes execution of trades for fixed income securities, repos and reverse repos, and funding possible. It facilitates the approval process for trades, management and reporting. The process begins with entering the trades into *TPG Trader*[®] and continues through the approval process. The process concludes with sending trades to the back office's specific portfolios in the *Portfolio Genius*[®] system to perform accounting and reporting.

Family of Products

Derivative Genius

TPG's *Derivative Genius*® system, a solution for derivative accounting, provides matchless back office processing and support for a variety of products, including interest rate swaps, caps, floors, collars, options, futures, etc. Its flexible scheduling capabilities enable it to support a wide variety of swap structures—including swaps amortizing and accreting by an index, and having any number of legs. *Derivative Genius*® produces daily accounting and sub ledger accounting for all derivative instruments and processing for counterparty payments. A flexible design accommodating any type of derivative instrument—even those yet to be created.

Derivative Genius Internal Modules

Application Security Module provides logon validation process and is designed to work in conjunction with Microsoft Windows XP and Microsoft SQL Server 2000 and 2005 security implementations.

Report Manager Module delivers tools to manage your reports—apply filters and set date parameters, create batches, roll reports into holding company reporting, create consolidated reports, and add custom reports. The Report Manager Module uses Crystal Reports as the report writer.

General Ledger Module supplies tools to manage the chart of accounts, with no limit to the number of line items for either the balance sheet or the income statement.

Derivative Genius Optional Modules

Hedge Accounting Module provides compliance with regulations described in FAS 133. Assigns portions of assets/liabilities to derivatives, link the underlying security to the derivative, calculate hedge effectiveness per FAS 133, and document hedge strategy. Tracks fair value and cash flow hedges and their impact on unrealized gains, losses, and comprehensive income, and includes posting to the general ledger and reporting mechanisms.

Pricing for Derivatives Module furnishes the tools to price derivatives using NumeriX Pro™ Fixed Income Module—providing a solution used to value and manages risk for various types of fixed income derivatives. Traders, structures, and risk managers take advantage of XPro™ Fixed Income analytics to simplify the computation of complex derivatives pricing.

Technology Platform

Technology TPG's applications are developed using the latest software tools and languages including:

- Database Manager – Microsoft SQL Server 2005 or Microsoft SQL Server 2000 (with latest service pack)
- User Interface – Microsoft Visual Basic
- Report Writer – Crystal Reports and Microsoft Reporting Services (MRS)

Making an Informed Decision

With more than 16 years of experience, TPG has responded to numerous requests for proposal and a consistent pattern has emerged with regard to selection criteria. Your institution may rank the selection criteria differently, but each category should be evaluated and play a role in your decision. We believe our experience with this process can assist you in evaluating TPG's software solution against those of our competitors.

Some suggestions to help you qualify systems include:

- Making sure the system you select not only meets but improves your *business, functional, and technical* requirements.
- Selecting a *flexible* and *extensible* system that *easily integrates* with other software applications in your environment. The system should provide the capability to adapt to changing business requirements. You should be able to extend the product's capabilities through your own efforts as opportunities present themselves.
- Confirming the vendor you select has an ongoing and active research and development effort, committed to improving its product offerings.
- Verifying the vendor's commitment to providing a high level of support and maintaining a good customer satisfaction rating.
- Evaluating the product life cycle, and how the vendor implements upgrades and bug fixes. Put the vendor through testing and "test drive" the product if you can.

Finally, don't be afraid to *look behind the curtain*. Investigate whether or not the product uses industry-standard tools, libraries and databases—support for cryptic non-standard software packages introduces complexity and excessive cost for maintenance.

Making an Informed Decision

Broad Functionality Provided by TPG's Software Solutions Include:**Core System Securities****Assets**

- Corporates
- MBS Securities
- Asset Backed Securities
- CMOs, CDOs, CLOs
- Municipal Bonds
- Equities
- Tax-Exempt Money Markets
- Taxable Money Markets
- Reverse Repos
- Exchange Traded Funds
- Foreign

Liabilities

- FHLB Borrowings and Advances
- Issued CDs
- Loans and Commitments
- Repos (Overnight and Term)
- Agency Notes & Bonds
- Structured Agencies
- Federal Funds Purchased
- Issued Bankers Acceptance
- Redeemable Preferred Stock
- Commercial Paper

Derivatives

- Interest Rate Swaps, Caps, Collars, & Floors
- Swaptions
- Futures & Options
- Foreign Currency

Core System Transactions**Trade Entry Processing**

- Automated Feeds
- Real Time Processing
- Buys & Sells
- Maturities
- Repo Collateral
- Online Inquiry
- Tax Lot Level Processing
- Pledge & Safekeeping (Unlimited)

Cash Processing

- Cash Flow Projections
- Cash Reconciliation (P&I)

Interest/Yield/Book Value/Fair Value

- FAS 91 Accretion and Amortization
- Interest and Dividends
- Principal Amortization

Mortgage Backed and CMO Processing

- Automated Paydowns
- TBA Processing

Pricing and Corporate Actions

- Automated Pricing Feeds
- Manual Pricing
- FAS 115 Mark-to-Market

Liabilities Processing

- Internet Update Capability

Hedge Accounting

- Hedge Linking
- Hedge Documentation
- Measure Hedge Effectiveness
- FAS 133 Compliant Reporting

Making an Informed Decision

Core System Reporting**Standard Reports**

- More than 300 Provided
- Accounting (Daily, Weekly, Monthly, etc.)
- Management
- Inventory
- Activity
- Executive/Board Reports & Graphs
- Regulatory/Call Reports/CMR Reports
- Exception, Balancing, etc.)

Custom Reports

- Third Party Report Writer
- Accessible Data/Data Dictionary
- Graph Capabilities

Core System Integration**Interfaces to Third Party Data Suppliers & Systems**

- Data Suppliers (Bloomberg Data License, Interactive Data, Yield Book, etc.)
- Analytic Software (Bloomberg API, CMS, etc.)
- Trade Front End (Bloomberg Trading)
- Custodial Interfaces
- A/LM Systems
- GL Systems
- Custodial Interfaces
- Internal Data Warehouse

System Utilities to Import/Export Data

- Standard Data Query (Access, Excel, etc.)
- Internet Connectivity
- User-Defined Data Export

Technology Platform**Operating System**

- Industry Standard (Microsoft)
- MS Windows Server
- Win64
- MS Workstation (XP)
- Relational Data Model (MS SQL 2000 & 2005)

Hardware

- Industry Standard
- Minimum Specifications (Server & Workstation)
- Network Enabled (LAN, WAN, Internet)

Implementation and Consulting Services**Product Implementation**

- Project Management
- Structured Plan for Implementation
- System Integration

Data Conversion

- Structured Conversion Plan
- Data Reconciliation

Training

- Onsite Training
- Web-Based Training
- Additional Training

Company**History**

- References
- Active Research & Development
- Built on Industry Standards (Tools, Libraries, Databases)
- Financial Stability & Strength
- Deliverable Track Record (Modifications & Enhancements)
- Support Track Record

Making an Informed Decision

No one wants to “overpay” for a system; however, no one wants to endure a difficult implementation or experience poor support and training. TPG will meet your business needs, ensure a smooth implementation, and provide support for your ongoing system needs.

Summary

Purchasing a portfolio accounting software system can be an arduous task. An ideal solution is to find an integrated portfolio management and accounting solution that *does it all* in a seamless flow that works for all your financial departments and participants—a system built on using current technology that meets your business, functional, and technical requirements while linking all your other systems (front office, middle office, and back office) to a common database and a universal data source. The importance of these factors in overall cost of implementation and operation quickly becomes apparent.