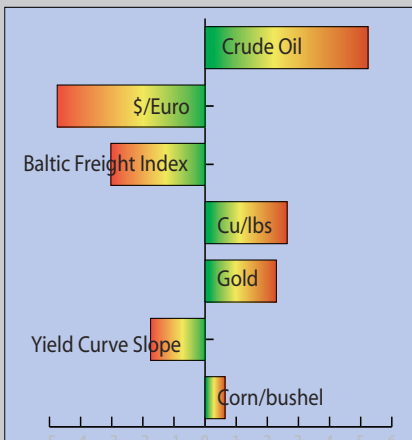


Financial Spectrum Analytics



Bubbles and spikes can occur for anything, anytime, anywhere.

Tern Analytics has designed a new product to deal with market uncertainties. Our Financial Spectrum Analytics is an invaluable tool to assess risks that your firm may face as a result of everyday as well as extraordinary events. For Financial Spectrum Analytics to function, the nature of these events do not have to follow some predictable or standard pattern. That is the strength of the model. Risk assessments such as Value at Risk are most appropriate for financial portfolios and short term analyses, under the assumption that stable correlation coefficients exist. However, our recent experiences of unstable correlation coefficients and sudden spikes and declines in certain commodity prices, interest rates and asset values, highlight the need for a new approach.



Quantifying consolidated exposures is one of the major advantages of Financial Spectrum Analytics.

Financial Spectrum Analytics is a refreshing look at your exposures and risks. It is not some magic box that will produce standard results. A series of mathematical and stochastic equations have been combined with day-to-day practicality. We incorporate your key input parameters and organizational structure in the analysis. The results from our analytics will be based on your organization's profile. The results will be presented in a way that will assist you in understanding your corporate vulnerabilities and provide you with actionable steps. The objective is to provide transparency to your financial risk profile. The Tern Analytics team will assist you in designing appropriate responses.

RISK MANAGEMENT

The model assists in identifying the entire spectrum of financial outcomes that is possible given your firm's current business format. As opposed to some other techniques, such as VaR, Financial Spectrum Analytics allows for medium and long-term assessments. The model does not rely on short-term stable correlations. Once the model has been tailor-made to your organization, it will be dynamic and ready for interaction.

During this process, the model will identify not only the sources of earnings and cash flow volatility, but the entire spectrum of possible scenarios. It will clearly identify each parameter's significance and contribution to volatility. This has tremendous value in preparing for economic shocks. The model will demonstrate which corporate variables need special monitoring and hedging. The model allows for assessments under regular economic conditions and more turbulent times. Hence improving risk management during more vulnerable period.

TREASURY

Financial Spectrum Analytics can assist your treasury department in making hedging decisions. The model identifies the largest contributors to un-desirable earnings or cash flows. Given that all combinations and permutations are being considered it will allow the user to take on a portfolio approach to hedging. Hence hedging efficiencies can be obtained. Instead of hedging each corporate variable separately, the portfolio approach

Tern Analytics is a young, dynamic Toronto based corporation founded by two financial modeling experts. The product, Financial Spectrum Analytics, is the culmination of 25 years of experience in corporate and investment banking, financial research, and consulting. The firm is committed to contributing to your, and your organization's success.

embedded in the model, might demonstrate that less hedging may be appropriate. By hedging the most significant volatility contributors, and capturing these hedging efficiencies, time and money can be saved. As a residual benefit it may reduce your counter-party risk.

STRATEGY

Our analytics will assist you in assessing each of your divisions' contributions to earnings and cash flow volatility. Similarly, the Financial Spectrum Model can be used to measure the impact of possible acquisitions or expansions. Instead of looking at stationary spreadsheets to support your decisions, our model will add in the dynamics. The dynamics could originate from your internal decisions, or come at you from the economic environment.

In short, Financial Spectrum Analytics will allow you to have a better handle on your earnings vulnerabilities. It will allow you to achieve hedging efficiencies and reduce counter-party risk. Our analytics will add transparency and contribute to improving your performance, especially in turbulent times.

The logo for Tern Analytics features the word "Tern" in a large, white, serif font above the word "Analytics" in a smaller, white, sans-serif font. The text is positioned to the left of a vertical gradient bar that transitions from purple at the top to yellow at the bottom.

2261 Lakeshore Blvd West,
Suite 507,
Etobicoke, ON M8V 3X1
Canada
+1 (416) 566-9754
www.ternanalytics.com