

Orbit

FX Mark-to-Market

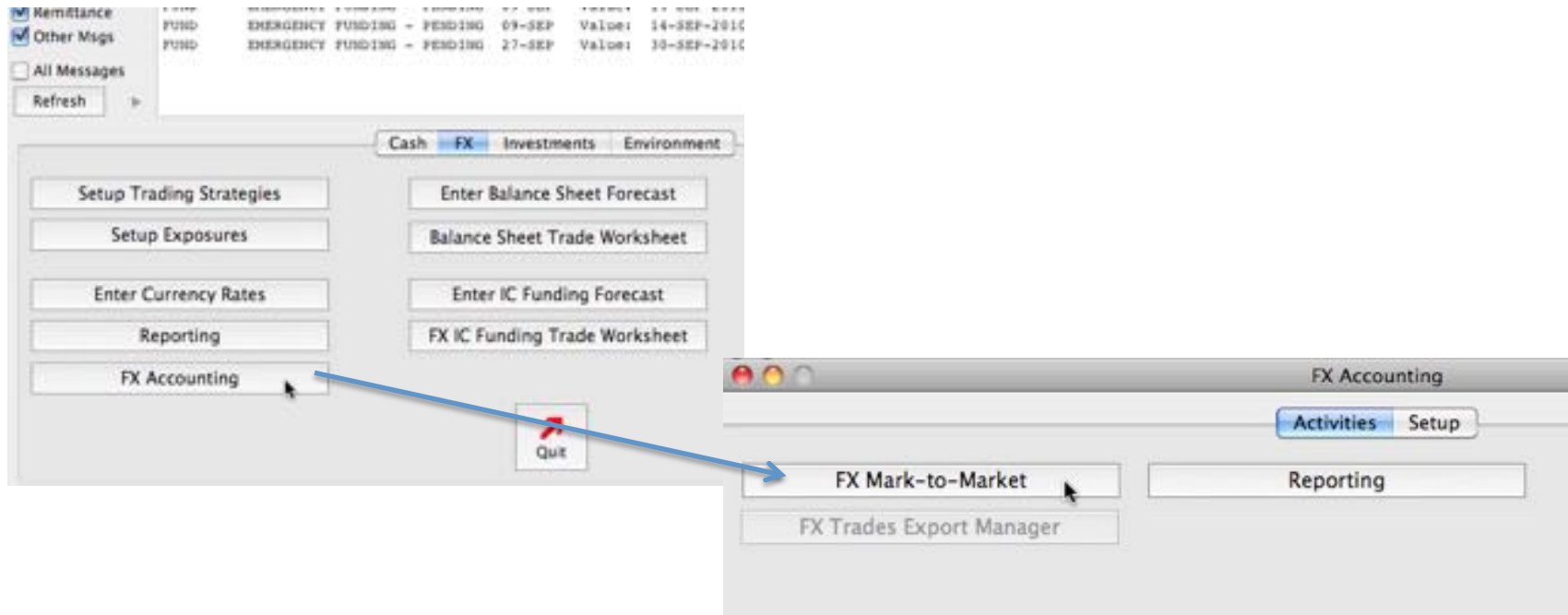
FX Mark-to-Market

- Orbit includes the ability to compute FX gains/losses for Spot/Forward and Option trades
- MTM Results are reported through reports you create in the “FX MTM Functional Results” domain
- You may also setup Orbit to create journal entries based on “FX MTM Functional Results”. This is discussed in “FX Accounting”

FX MTM and Accounting Process

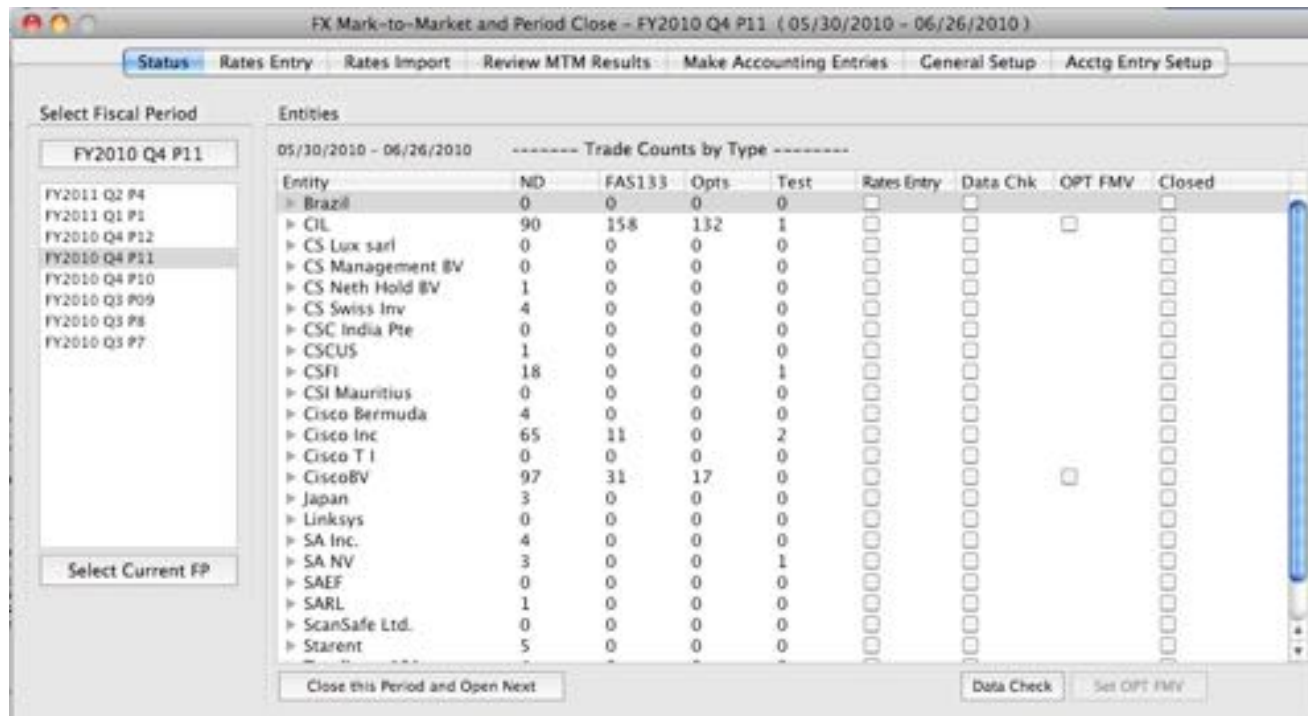
- MTM processing is simple. The steps involved are:
 - Import month end rates
 - Month end spot rates
 - Interest Rates for all currencies
 - Volatilities (if your book includes options)
 - Forward Point Curve (optional for use in forward MTM)
 - Run Data Check
 - Run Option Pricing

Go To FX MTM and Accounting



- Go to the “FX” tab on the Main Menu window
- Press the “FX Accounting” button (or select “FX Accounting” from the “Monthend” menu)
- This opens the “FX Accounting” window
- Press the “FX Mark-to-Market” button

FX Mark-To-Market Window



- The “FX Mark-to-Market” window opens
- The current fiscal period is automatically selected. Entity status lines are displayed
- Recent accounting periods are listed on the left
- Select a period by clicking on one of the periods in the list
- To select the current fiscal period, click the “Select Current FP” button
- All of the designated FX trading entities are listed on the right
- Orbit counts the number of Non-Designated trades (ND), FAS133 trades, Options (Opts) and Test trades for each entity

FX Mark-To-Market Window

FX Mark-to-Market and Period Close - FY2010 Q4 P11 (05/30/2010 - 06/26/2010)

Status Rates Entry Rates Import Review MTM Results Make Accounting Entries General Setup Acctg Entry Setup

Select Fiscal Period

FY2010 Q4 P11

FY2011 Q2 P4
FY2011 Q1 P1
FY2010 Q4 P12
FY2010 Q4 P11
FY2010 Q4 P10
FY2010 Q3 P09
FY2010 Q3 P8
FY2010 Q3 P7

Select Current FP

Entities

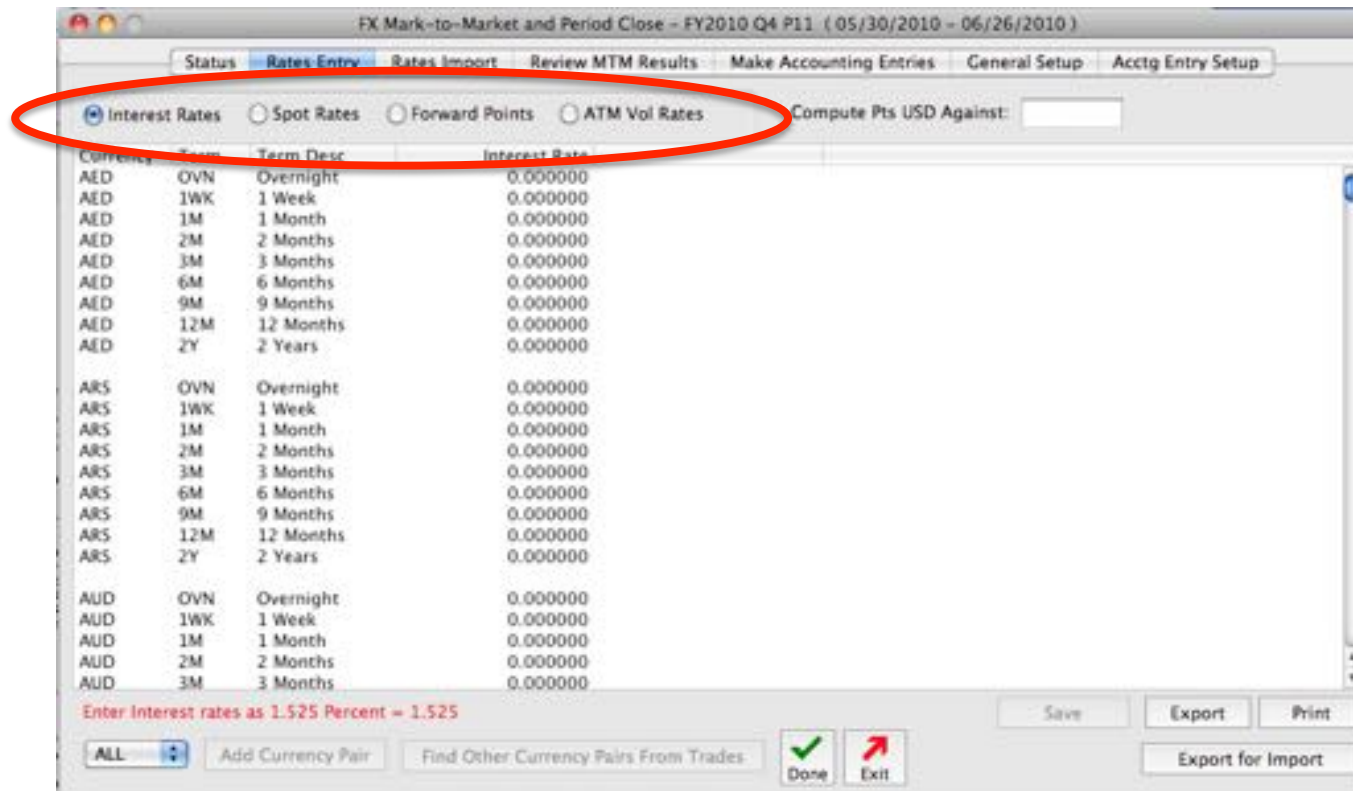
05/30/2010 - 06/26/2010 ----- Trade Counts by Type -----

Entity	ND	FAS133	Opts	Test	Rates Entry	Data Chk	OPT FMV	Closed
▶ Brazil	0	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CIL	90	158	132	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CS Lux sarl	0	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CS Management BV	0	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CS Neth Hold BV	1	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CS Swiss Inv	4	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CSC India Pte	0	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CSCUS	1	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CSFI	18	0	0	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CSI Mauritius	0	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ Cisco Bermuda	4	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ Cisco Inc	65	11	0	2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ Cisco T I	0	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ CiscoBV	97	31	17	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ Japan	3	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ Linksys	0	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ SA Inc.	4	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ SA NV	3	0	0	1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ SAEF	0	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ SARL	1	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ ScanSafe Ltd.	0	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
▶ Starent	5	0	0	0	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Close this Period and Open Next Data Check Set OPT FMV

- Test trades are ignored for MTM, but the count lets you know if Test trades are present
- The last 4 columns are status indicators: Rates Entry, Data Chk, OPT FMV and Closed
- The first step in running MTM is to enter or import month end rates
- To type in rates manually, go to the “Rates Entry” tab
- To import rates from a text file, go to the “Rates Import” tab

FX Mark-To-Market Rates



- When you first visit the “Rates Entry” tab, there will be a delay of several seconds as Orbit loads in rate entry records from the database
- Rate entry records are created when the Fiscal Period is created. When first created, rate entry records will copy the Balance Sheet rates from the the previous period to act as the Income Statement rate for the current period. Balance Sheet rates for the new period start out as 0.00
- Use this tab panel to view/enter/update all of the different rates needed by MTM
- Click the “radio” buttons to switch views between the different rate types
- Interest, Forward Points and ATM Vol Rates are all entered as points on a curve representing a term structure
- The shape of the Term Structure is set on the “Rates Import” tab

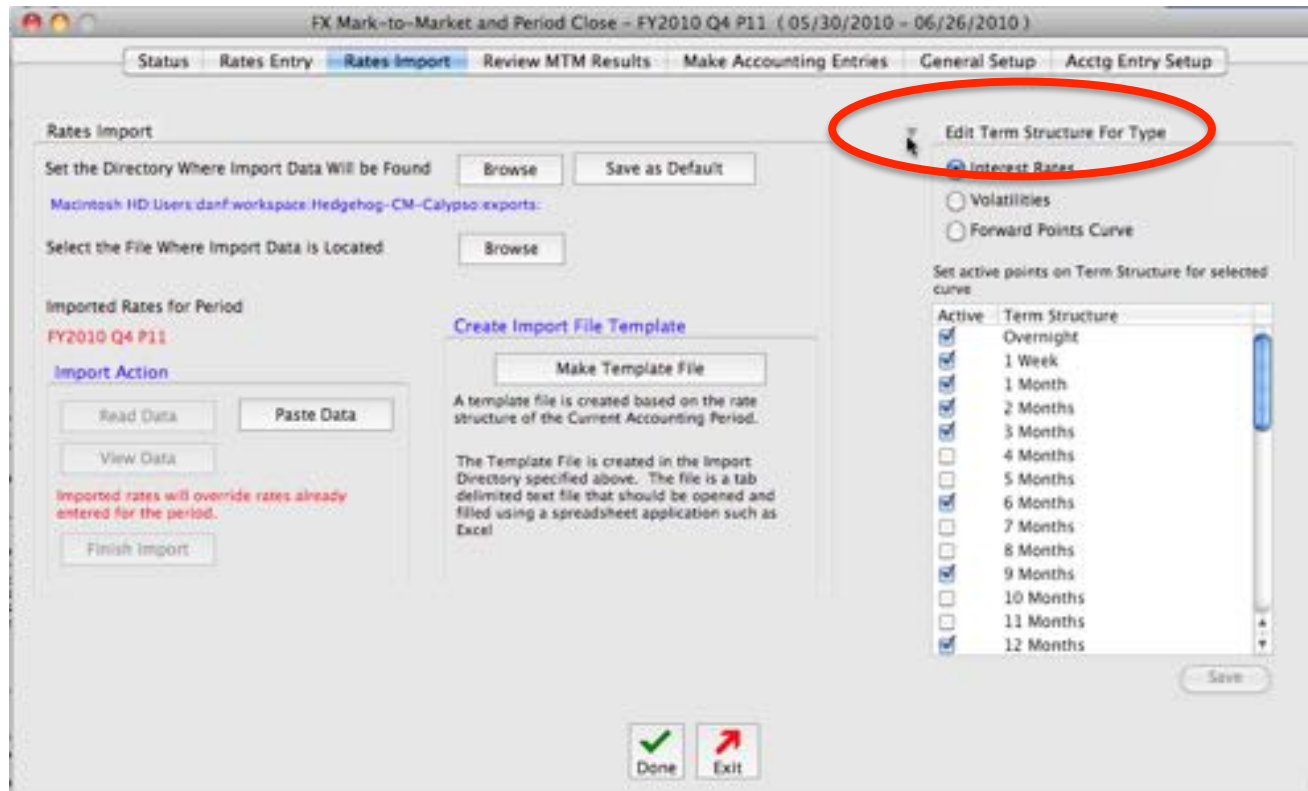
FX Mark-To-Market Rates

Currency	Term	Term Desc	Interest Rate
AED	OVN	Overnight	1.500000
AED	1WK	1 Week	0.000000
AED	1M	1 Month	0.000000
AED	2M	2 Months	0.000000
AED	3M	3 Months	0.000000
AED	6M	6 Months	0.000000
AED	9M	9 Months	0.000000
AED	12M	12 Months	0.000000
AED	2Y	2 Years	0.000000
ARS	OVN	Overnight	0.000000
ARS	1WK	1 Week	0.000000
ARS	1M	1 Month	0.000000
ARS	2M	2 Months	0.000000
ARS	3M	3 Months	0.000000
ARS	6M	6 Months	0.000000
ARS	9M	9 Months	0.000000
ARS	12M	12 Months	0.000000
ARS	2Y	2 Years	0.000000
AUD	OVN	Overnight	0.000000
AUD	1WK	1 Week	0.000000
AUD	1M	1 Month	0.000000
AUD	2M	2 Months	0.000000
AUD	3M	3 Months	0.000000

Enter Interest rates as 1.525 Percent = 1.525

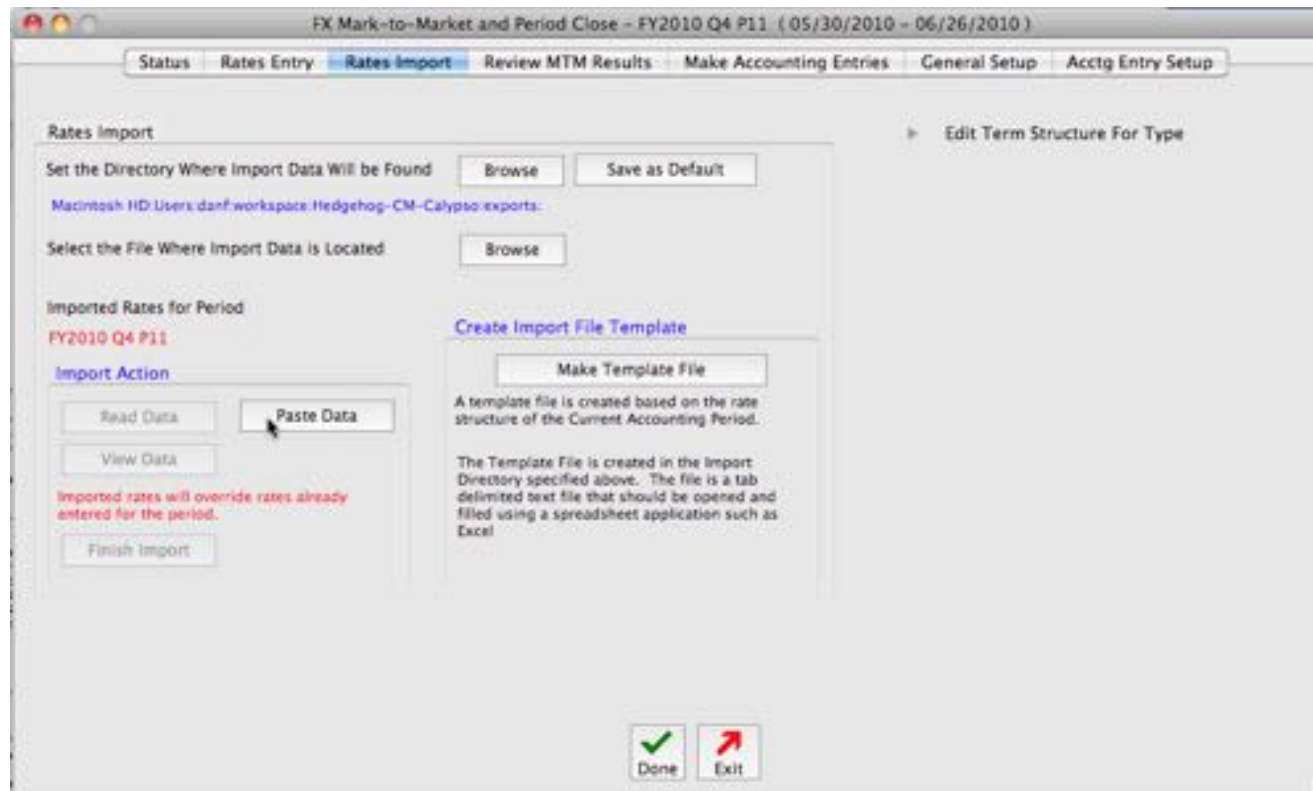
- To enter a rate, click into the value cell and type the desired value
- Interest rates are entered as 1 pct = 1.0
- After entering rates, you must press the “Save” button to commit them to the database
- You do not have to save each entry. Enter all of the rates for a view and click the Save button once to save changes for the entire view

FX Mark-To-Market Rates Term Structure



- Term Structures for different rate types are maintained on the “Rates Import” tab
- Click the disclosure button next to the label that reads “Edit Term Structure for Type”
- This displays the term structure setup control
- Select the rate type you wish to set
- Click check boxes next to each point in the term structure you wish to include
- Click the “Save button”
- Term structures for different rates types do not need to match

FX Mark-To-Market Rates Import



- The most common way to get rates into Orbit is to import them
- You may import them from a file or cut-and-paste from a spreadsheet
- If you are importing from a file, the file must be a plain text file using returns as line endings and tabs as field separators
- Typically you will have a spreadsheet that reads rate information from Bloomberg or Reuters
- In this case the most convenient import method is cut-and-paste
- You will need to configure the spreadsheet you wish to import into a particular format. The next slide describes that format

FX Mark-To-Market Rates Import Format

	A	B	C
1	AED	3.67305	
2	AOA	92.587	
3	ARS	3.861647	
4	ATS	11.19543	
5	AUD	0.833	
6	AZN	0.80345	
7	BDT	69.365	
8	BEF	32.82068	
9	BGN	1.59195	
10	BRL	1.84245	
11	CAD	1.0647	
12	CHF	1.155	
13	CLP	541.75	
14	CNY	6.829	
15	COP	1974.5	
16	CRC	535.72	
17	CYP	0.476181	
18	CZK	20.8025	
19	DEM	1.59127	
20	DKK	6.05417	
21	DOP	36.875	
22	DZD	74.5131	
23	EGP	5.6587	
24	ESP	135.3722	
25	ETB	13.549	
26	EUR	1.229	

- Month end spot rates should be formatted as 2 columns
- The first column holds the currency code
- The second column holds the rate

- Orbit assumes these are month end Balance Sheet or “End” rates
- There are other rate entry formats you can use if you wish to import both start and end rates

FX Mark-To-Market Rates Import Format

	A	B	C	D
1	date	06/23/2010		
2				
3	points	AUD	1 week	-0.0008
4	points	AUD	1 month	-0.0031
5	points	AUD	2 month	-0.0063
6	points	AUD	3 month	-0.0094
7	points	AUD	6 month	-0.0186
8	points	BRL	1 week	0.0027
9	points	BRL	1 month	0.0129

118	Volatility	EUR	1 week	12.1975
119	Volatility	EUR	1 month	13.0525
120	Volatility	EUR	2 month	13.3775
121	Volatility	EUR	3 month	13.74
122	Volatility	EUR	6 month	14.1325
123	Volatility	EUR	9 month	14.245
124	Volatility	EUR	1 year	14.3225
125	Volatility	EUR	2 year	13.815
126	Volatility	GBP	1 week	11.2900
127	Volatility	GBP	1 month	11.9450
128	Volatility	GBP	2 month	12.135

152	Interest	GBP	1 week	0.5506
153	Interest	GBP	1 month	0.5688
154	Interest	GBP	2 month	0.6275
155	Interest	GBP	3 month	0.73031
156	Interest	GBP	6 month	1.01766
157	Interest	GBP	9 month	1.24703
158	Interest	GBP	1 year	1.45703
159	Interest	GBP	2 year	1.4786
160	Interest	CHF	1 week	0.0400
161	Interest	CHF	1 month	0.0567
162	Interest	CHF	2 month	0.07833

- Forward points, Volatility and Interest rates require 4 columns
- Column 1 indicates the rate type:
 - Points
 - Volatility
 - Interest
- Column 2 indicates the currency. Importing rates using this form for Points and Volatility assumes that all relationships are to the USD. If you had cross currency trades, you would enter a currency pair rather than a single currency. For example Points for EUR to GBP would be entered as EUR.GBP
- Column 3 indicates the term structure (see the next slide for a complete listing of valid term structure codes)
- Column 4 holds the values
- Percentages are entered as 1 pct = 1.0

FX Mark-To-Market Rates Import Format

Rate Type Codes

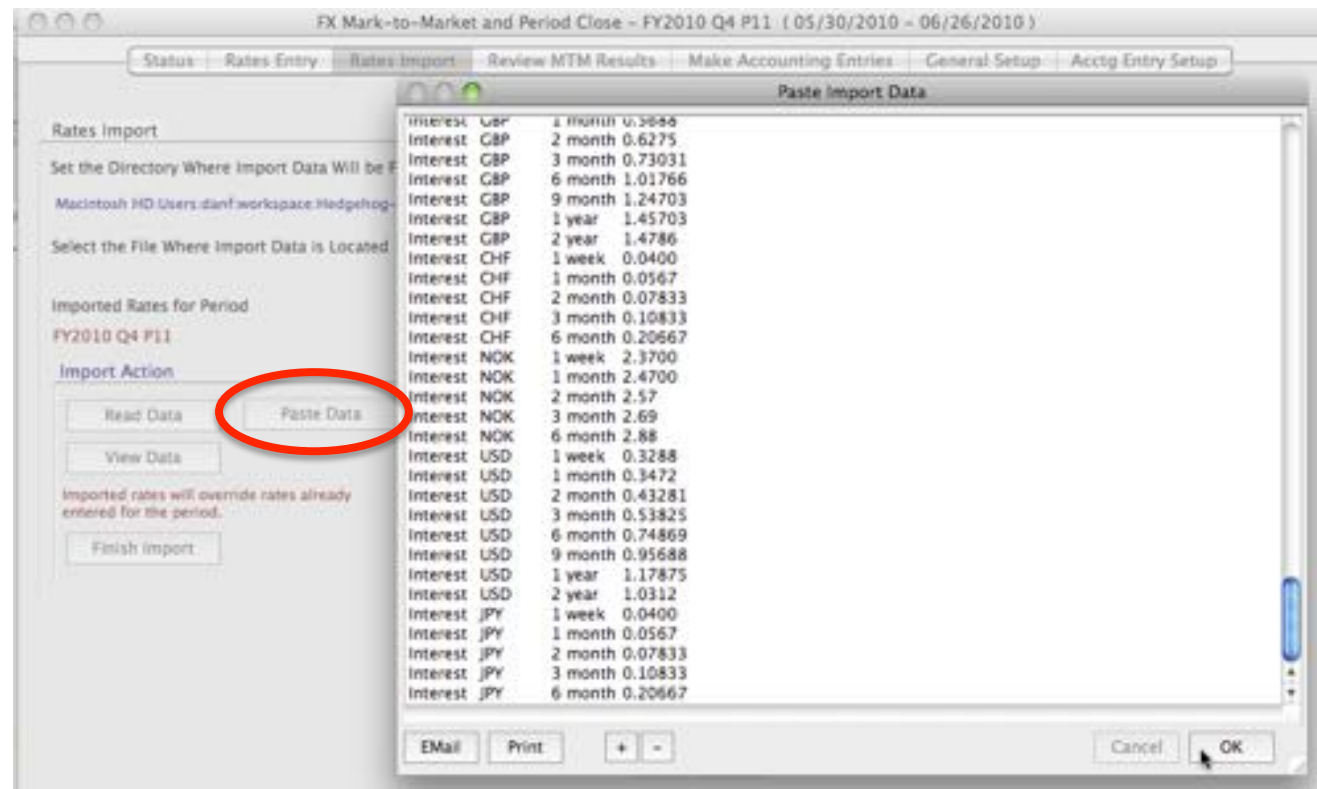
- Forward Points
 - Points
 - Pts
- Volatility
 - Volatility
 - Vol
- Interest Rates
 - Interest
 - Intr

Term Structure Codes

code	description	code	description
OVN	Overnight	2Y	2 Years
1WK	1 Week	3Y	3 Years
1M	1 Month	4Y	4 Years
2M	2 Months	5Y	5 Years
3M	3 Months	6Y	6 Years
4M	4 Months	7Y	7 Years
5M	5 Months	8Y	8 Years
6M	6 Months	9Y	9 Years
7M	7 Months	10Y	10 Years
8M	8 Months		
9M	9 Months		
10M	10 Months		
11M	11 Months		
12M	12 Months		
13M	13 Months		
14M	14 Months		
15M	15 Months		
16M	16 Months		
17M	17 Months		
18M	18 Months		
19M	19 Months		
20M	20 Months		
21M	21 Months		
22M	22 Months		
23M	23 Months		

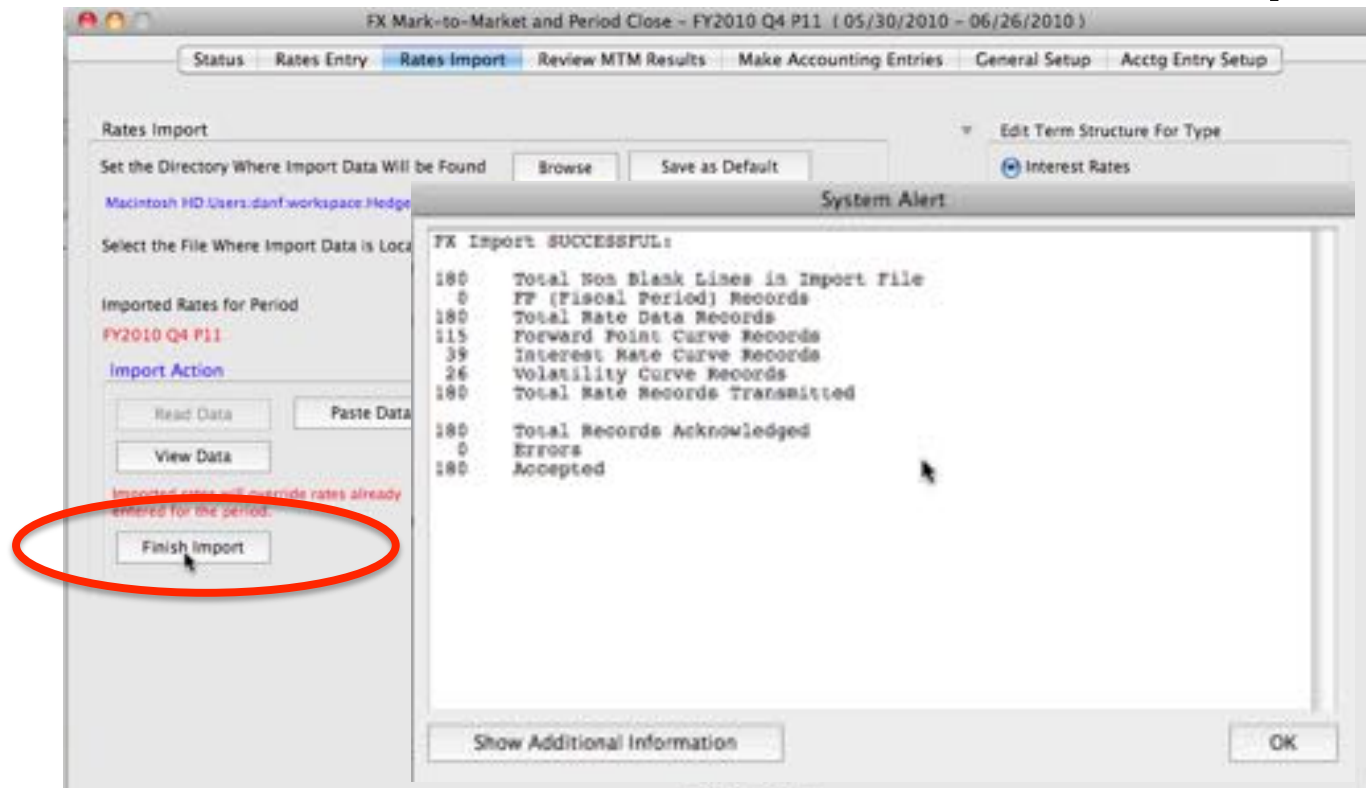
- The import file may reference either the code or description
- Description values may be entered as singular:
 - 2 Months = 2 Month

FX Mark-To-Market Rates Import



- In your spreadsheet, select and copy the rows and columns containing rate data
- Click the “Paste Data” button
- Paste your data into the “Paste Import Data” window
- Press OK to close the paste data window
- Click the “Finish Import” button

FX Mark-To-Market Rates Import



- Click the “Finish Import” button
- Orbit imports the pasted rates and displays a dialog showing the status
- If there are errors, error messages will be displayed below the summary counts

FX Mark-To-Market Rates

FX Mark-to-Market and Period Close - FY2010 Q4 P11 (05/30/2010 - 06/26/2010)

Status Rates Entry Rates Import Review MTM Results Make Accounting Entries General Setup Acctg Entry Setup

Interest Rates Spot Rates Forward Points ATM Vol Rates Compute Pts USD Against:

Currency	Term	Term Desc	Interest Rate
EUR	OVN	Overnight	0.000000
EUR	1WK	1 Week	0.381000
EUR	1M	1 Month	0.455000
EUR	2M	2 Months	0.562000
EUR	3M	3 Months	0.739000
EUR	6M	6 Months	1.024000
EUR	9M	9 Months	1.167000
EUR	12M	12 Months	1.296000
EUR	2Y	2 Years	1.340500
GBP	OVN	Overnight	0.000000
GBP	1WK	1 Week	0.550600
GBP	1M	1 Month	0.568800
GBP	2M	2 Months	0.627500
GBP	3M	3 Months	0.730310
GBP	6M	6 Months	1.017660
GBP	9M	9 Months	1.247030
GBP	12M	12 Months	1.457030
GBP	2Y	2 Years	1.478600
GHC	OVN	Overnight	0.000000
GHC	1WK	1 Week	0.000000
GHC	1M	1 Month	0.000000
GHC	2M	2 Months	0.000000

Enter interest rates: 1.525 Percent = 1.525

ALL Add Currency Pair Find Other Currency Pairs From Trades Done Exit Save Export Print Export for Import

- Return to "Rates Entry" to verify the import
- Use the Currency popup menu to limit the display to a selected currency

FX Mark-To-Market Rates

Currency	Term	Term Desc	Interest Rate	
GBP	OVN	Overnight	0.000000	
GBP	1WK	1 Week	0.550600	
GBP	1M	1 Month	0.568800	
GBP	2M	2 Months	0.627500	
GBP	3M	3 Months	0.730310	
GBP	6M	6 Months	1.017660	
GBP	9M	9 Months	1.247030	
GBP	12M	12 Months	1.457030	
GBP	2Y	2 Years	1.478600	
USD	OVN	Overnight	0.000000	USD.GBP 0.00000000
USD	1WK	1 Week	0.328800	USD.GBP 0.00006325
USD	1M	1 Month	0.347200	USD.GBP 0.00027071
USD	2M	2 Months	0.432810	USD.GBP 0.00047541
USD	3M	3 Months	0.538250	USD.GBP 0.00070294
USD	6M	6 Months	0.748690	USD.GBP 0.00196255
USD	9M	9 Months	0.956880	USD.GBP 0.00316240
USD	12M	12 Months	1.178750	USD.GBP 0.00402352
USD	2Y	2 Years	1.031200	USD.GBP 0.00654563

- For “Interest Rates”, you can enter a currency such as GBP
- Orbit will convert that to USD.GBP
- Orbit will display the interest rates for the currency pair
- The forward points for USD -> GBP are computed using the interest rates and displayed next to USD interest rates
- Use this feature to test the reasonability of values entered under the “Forward Points” view

FX Mark-To-Market Rates - Complete

Currency	Term	Term Desc	Interest Rate		
GBP	OVN	Overnight	0.000000		
GBP	1WK	1 Week	0.550600		
GBP	1M	1 Month	0.568800		
GBP	2M	2 Months	0.627500		
GBP	3M	3 Months	0.730310		
GBP	6M	6 Months	1.017660		
GBP	9M	9 Months	1.247030		
GBP	12M	12 Months	1.457030		
GBP	2Y	2 Years	1.478600		
USD	OVN	Overnight	0.000000	USD.GBP	0.00000000
USD	1WK	1 Week	0.328800	USD.GBP	0.00006325
USD	1M	1 Month	0.347200	USD.GBP	0.00027071
USD	2M	2 Months	0.432810	USD.GBP	0.00047541
USD	3M	3 Months	0.538250	USD.GBP	0.00070294
USD	6M	6 Months	0.748690	USD.GBP	0.00196255
USD	9M	9 Months	0.956880	USD.GBP	0.00316240
USD	12M	12 Months	1.178750	USD.GBP	0.00402352
USD	2Y	2 Years	1.031200	USD.GBP	0.00654563

- When you are satisfied that you have entered/imported rates, press the “Done” button
- This tells Orbit that you are done with rates. The only effect it has is to set the “Rates” status flag on the “Status” tab

FX Mark-To-Market Data Check

FX Mark-to-Market and Period Close - FY2010 Q4 P11 (05/30/2010 - 06/26/2010)

Status Rates Entry Rates Import Review MTM Results Make Accounting Entries General Setup Acctg Entry Setup

Select Fiscal Period: FY2010 Q4 P11

Entities: 05/30/2010 - 06/26/2010 ----- Trade Counts by Type -----

Entity	ND	FAS133	Opts	Test	Rates Entry	Data Chk	OPT FMV	Closed
Brazil	0	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CIL	90	158	132	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CS Lux sarl	0	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CS Management BV	0	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CS Neth Hold BV	1	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CS Swiss Inv	4	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CSC India Pre	0	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CSCUS	1	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CSFI	18	0	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CSI Mauritius	0	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cisco Bermuda	4	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cisco Inc	65	11	0	2	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cisco T I	0	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
CiscoBV	97	31	17	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Japan	3	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Linksys	0	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SA Inc.	4	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SA NV	3	0	0	1	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SAEF	0	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SARL	1	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
ScanSafe Ltd.	0	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Starent	5	0	0	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Close this Period and Open Next

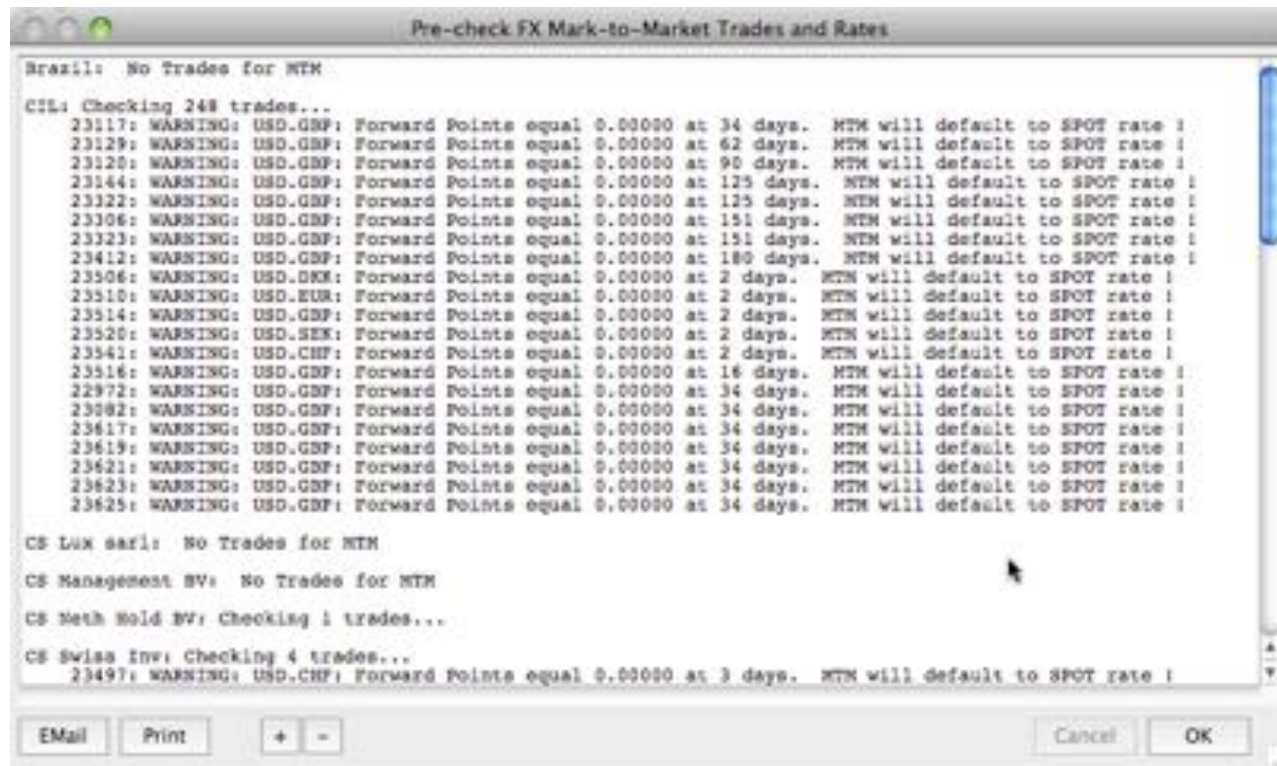
Data Check Set OPT FMV

Pre-check each trade for translation rates, interest rates, forward points and vols (if relevant to the trade).

Exit

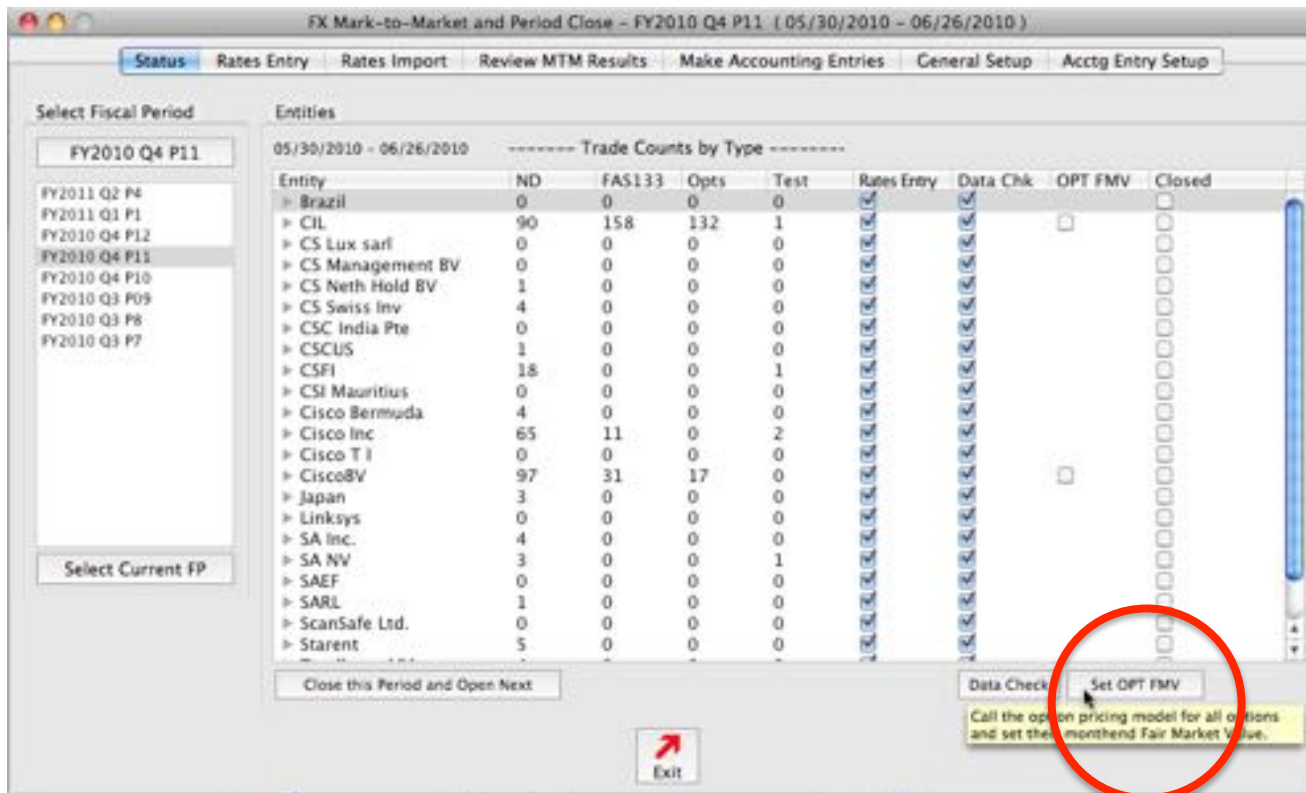
- After completing rates entry, return to the “Status” tab and press the “Data Check” button

FX Mark-To-Market Data Check



- Data Check looks at each trade that will be included in MTM
- For each trade it checks the availability of each data point that will be needed by MTM
- WARNINGS are simply meant to draw your attention to potential problems
- Errors will not include the WARNING label and will prevent the entity from passing data check

FX Mark-To-Market Option Pricing



- Data Check updates the “Data chk” status for each entity
- Once all entities have passed data check, click the “Set Opt FMV” button
- This button has Orbit perform MTM pricing on all Options

FX Mark-To-Market Results

Trading Entities	MTM Trades	MTM Values
CIL	22972 BF GBP 107,600,000.00 Reserve	
CS Neth Hold BV		trade_type BF
CS Swiss Inv		contract_currency GBP
CSCUS		contract_amt 107,600,000.00
CSFI		contract_rate 1.517495
Cisco Bermuda		contract_spot_rate 1.517800
Cisco Inc		base_currency USD
CiscoBV		base_amt (163,282,462.00)
Japan		mtm_trade_status OUTSTANDING
SA Inc		acquired_in_period N
SA NV		matured_in_period N
SARL		realized N
Starent		unrealized Y
Tandberg ASA		mtm_spot_date 06/29/2010
		mtm_pp_spot_rate 1.439000
		mtm_spot_start_rate 1.439000
		mtm_spot_end_rate 1.487000
		mtm_days_to_maturity 34
		mtm_pp_days_to_maturity 62
		mtm_implied_fx_interest_rate 0.576627
		mtm_implied_base_interest_rate 0.358615
		mtm_pp_implied_fx_interest_rate 0.622417

- To review MTM results, go to the “Review MTM Results” tab
- Select an Entity and choose to view “Spot/Forward” or “Options” detail
- Orbit lists the MTM trades for the selected entity
- Expand a selected trade to view all of the MTM results Orbit computes for that trade
- Rather than expand a trade line, you may double-click it to view a more formatted/summarized presentation of MTM results for that trade
- To go to the reports window, click the “Open Reports Window” button
- This will open the report viewing window with the “FX MTM Functional Results” domain selected