

FIXED INCOME MONITOR™

Evaluate, manage, and control fixed income trade costs.

Zeno Consulting Group, LLC, offers Plan Sponsors, Mutual Funds/ Insurance Companies and other asset owners an objective way to examine the entire fixed income trading process, devoid of conflicts or hidden agendas. As part of that commitment, we have developed a comprehensive analysis of fixed income transactions executed by your managers and their associated counterparties. This service includes our primary Implementation Shortfall benchmark that goes beyond measuring VWAP cost spreads, to encompass trade characteristics and existing market conditions, and quantifies the impact that costs have on performance; thus giving you a fuller, more accurate picture of each managers' (and their chosen counterparties') trading costs and execution efficiency.



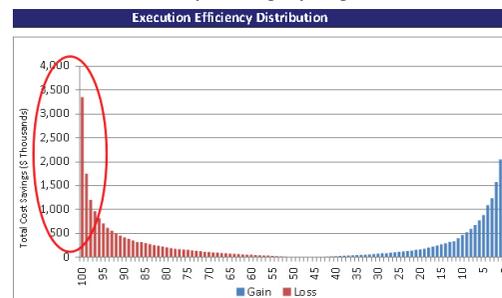
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CHALLENGE Bonds have typically been viewed as a less risky investment than equities; and therefore thought to incur minimal trading costs. However, recent studies have shown that costs can often range upwards of 50-100 bp, with inefficient trading significantly impacting bottom-line returns. More to the point, in the current environment where dealer inventories have shrunk, bid-offer spreads have increased, market liquidity has become more fragmented, and trades are typically executed on a principal basis (i.e. the interests of the bond dealers are inherently adverse to yours), relying on the "good faith" of those dealers in determining fair prices isn't enough. Knowing whether your managers obtained "**Best Execution**" on your fixed income transactions is critical in protecting Fund assets and maximizing performance.

SOLUTION Prudent oversight helps reduce unnecessary costs, identify inefficient trading practices, manage Counterparty Risk, and encourages the use of fixed income trading "Best Practices" (such as the use of electronic competitive bidding by your managers). The Fixed Income Monitor™ report delivers information from a trusted, independent, Registered Investment Advisor, experienced in exercising the right level of oversight, analysis and interpretation to fulfill these client needs.

Shine a fiduciary light on your bond manager's trading process!

A systematic, generally efficient, trading process, with High Cost Outliers that explain slightly negative overall costs.



Sample High Grade bond manager trade distribution

BENEFITS

For Fund fiduciaries concerned about the costs incurred on bond transactions, the Fixed Income Monitor service provides an array of important benefits including:

- Meaningful assessments of the fixed income trading costs and execution quality obtained by the Funds' managers, and their chosen counterparties.
- Unique insights and due-diligence designed to help achieve real savings on inefficient trades across the following bond classes: U.S. High Grade; Eurobonds; Emerging Markets; High Yield/Crossovers; U.S. Agency; Mortgage and Asset-backed Securities; 144a Secondary securities; Convertibles; and Treasuries (on and "off-the-run").
- Satisfaction of fiduciary and regulatory obligations to monitor, and thereby encourage, best execution.
- Reinforcement of manager compliance with trading policies.

FEATURES

Detailed Analysis Fixed Income Monitor Service offers clients an independent assessment of their managers' bond trading, as measured against Zeno's Trade Universe and Implementation Shortfall benchmark for all bond sectors. Just as important, this service monetizes these costs to shed light on the loss of Fund assets, and support recommendations to improve performance. With Fixed Income Monitor, you will have the information necessary not only to establish prudent oversight programs, but also begin managing excessive trade costs.

Consultative Approach Zeno consultants work as an extension of your staff, helping to understand and mitigate the shortcomings and inefficiencies in the trading process. The needs of plan sponsors and funds often differ, and with over 25 years of experience in trade cost analysis, fiduciary monitoring and manager evaluation, Zeno offers the in-depth experience and knowledge to meet client goals in a timely manner.

CONTACT INFORMATION

For more information on Fixed Income Monitor, please call (732) 851-4210 or email info@zenocg.com.