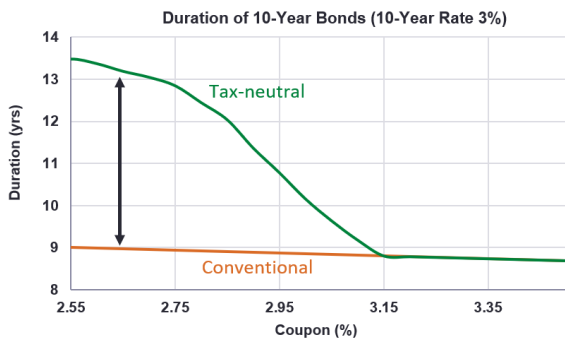




RVMunis on Bloomberg Correctly Handles De Minimis

Bloomberg users now have access to RVMunis, an OAS-based app which enables muni portfolio managers and traders to measure risk with unprecedented accuracy and speed. It combines the unique functionality of Kalotay's patent-pending, tax-neutral [MuniOAS software](#) and RiskVal's award winning [Fixed Income \(RVFI\) platform](#).



The so-called *de minimis* tax effect depresses the prices of discount munis. However, because standard analytics fail to account for it, they underestimate effective duration and overestimate OAS, often by wide margins. MuniOAS captures the correct risk by incorporating the tax effect for bonds trading below par. As shown, the incorrectly estimated duration of a 10-year discount muni

is currently about 9, while the correct, 'tax-neutral' duration is closer to 13.

The app seamlessly integrates Bloomberg bond terms and prices, and stores portfolios for ongoing analysis. Users can access several benchmark yield curves. RVMunis reports tax-neutral risk measures, including OAS, effective duration and KRDs. It also displays the effect of a 100 basis point shift on the portfolio value.

Row#	CUSIP	ST	Ticker	Cpn	Maturity	Principal (MM)	Live Price	Model Price	OAS	Vol(%)	Eff. Dur.	DV01	Convexity
3	574193RV2	MD	MDS	2	8/1/2032	+100	97.532	97.532	46.80	20.0	14.51	141,992	-11.632
5	13063DPX0	CA	CAS	3	10/1/2049	+100	101.922	101.922	35.68	20.0	16.73	171,129	-0.681

Bloomberg users: [APPS RVMUNIS <GO>](#).

Details and live MuniOAS demo at kalotay.com/rvmunis.