



INVESTORTOOLS, INC.
Institutional Investment Systems

NEWS RELEASE

KALOTAY AND INVESTORTOOLS PARTNER TO DELIVER AFTER-TAX MUNI BOND ANALYTICS

New York, September 24, 2013 – Kalotay Analytics, a provider of high-speed, high precision fixed income analytics, and Investortools, whose software is utilized by over 250 financial institutions to support portfolio management and credit analysis, have announced an alliance to deliver Kalotay's patent-pending after-tax municipal bond analytics to Perform® clients.

Rising rates hurt muni bonds unduly, because the gain from purchasing discounts is taxed as ordinary income. Until now, this effect was not being captured by standard risk systems. Durations of discount munis based on standard pre-tax calculations are underestimated, while their OAS's are overstated, resulting in ineffective hedging and misguided trades.

"Incorporating the complex tax treatment of munis in our model allows investors to get a realistic picture of what will happen to their portfolios when interest rates change. We're excited to partner with Investortools to bring this innovation to the market," said Andy Porter, Managing Director of Business Development, Kalotay Analytics.

"We are pleased to be partnering with Kalotay Analytics to serve portfolio manager needs as interest rates rise – a very timely addition to our investment systems toolbox," said Stuart Graydon, Chairman of Investortools. Dan Garrett, Vice President of Investortools added, "Falling fixed income prices will create tax events that have not been a concern in recent years. Most tax analytics focus on income. The Kalotay functions available to Perform® reports focus on how taxes affect price moves. Now a variety of reports can show risk and rewards from numerous angles and plan each portfolio strategy and trading moves in light of tax effects on price behaviour."

About Kalotay Analytics

Employing patented technology, Kalotay Analytics, a division of Andrew Kalotay Associates, Inc. provides lightning fast fixed income valuation libraries and risk-measurement tools to a wide range of market participants. Applications include real-time bond ETF and index pricing, risk management, and pre-trade analysis.

For more information about Kalotay Analytics, please visit: www.kalotay.com.

About Investortools

Investortools, Inc. has been a leading provider of fixed income tools for over 30 years.

Investortools software is used by over 250 financial institutions to manage the daily challenges unique to fixed income portfolio management and credit analysis. Customizable by design, our software enables streamlined and precise reporting, risk-return attribution, stress-testing, trading, compliance, and much more to meet your specific needs. Mutual fund groups, high net worth / SMA account managers, banks, and insurance companies are among the many firms that entrust Investortools to meet their needs. In addition to working alongside a growing list of [data partners](#) to provide quality information, [Client Service](#) is a top priority. Our experienced Client Relationship Managers visit our clients on-site to better understand their challenges and provide efficient solutions.

For more information about Investortools, please visit www.invtools.com.

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