BOND DATA
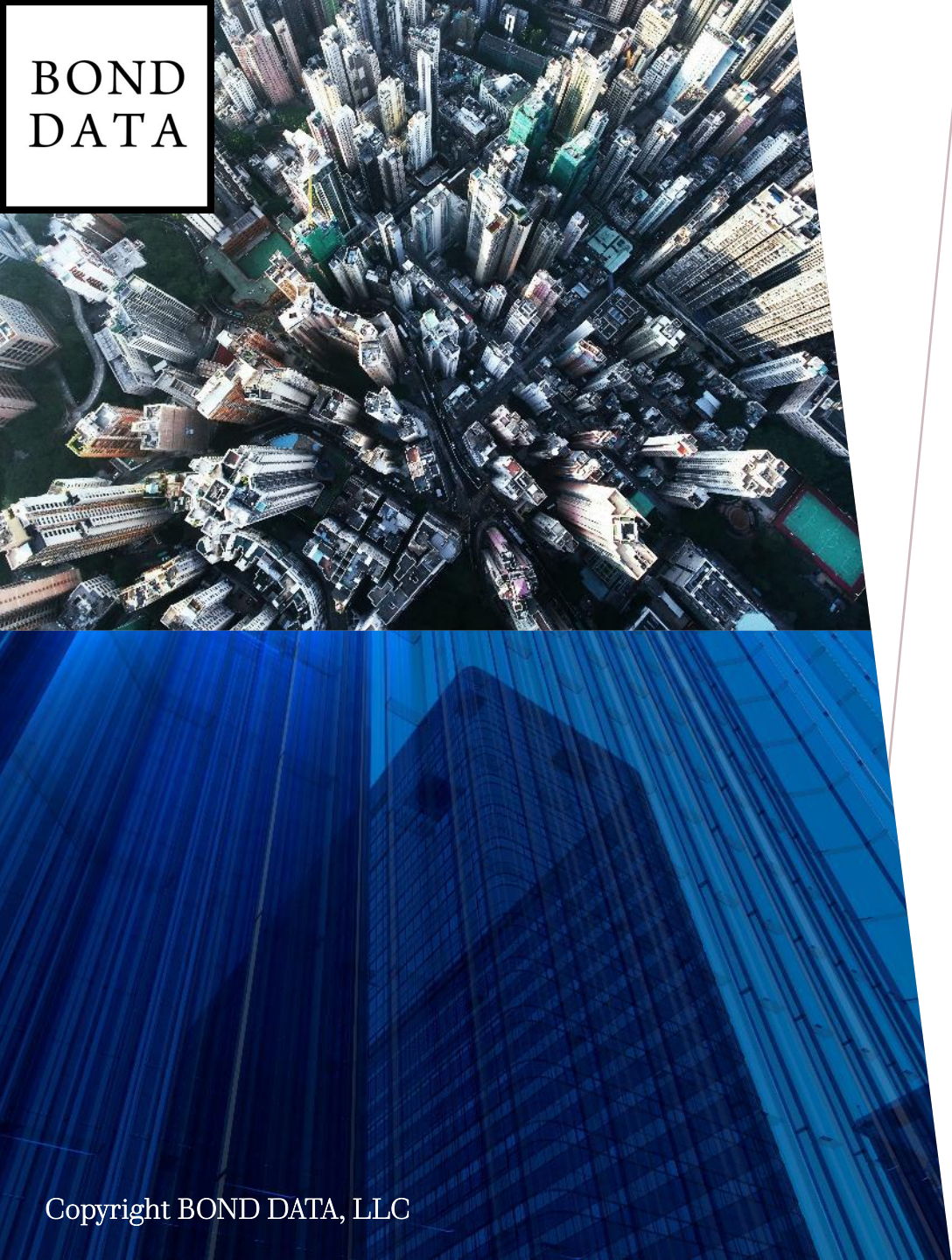
Michael Furla, CFA
Founder & CEO

Confidential

AGENDA

Overview

Founder Background

Products

Value Proposition

Distribution
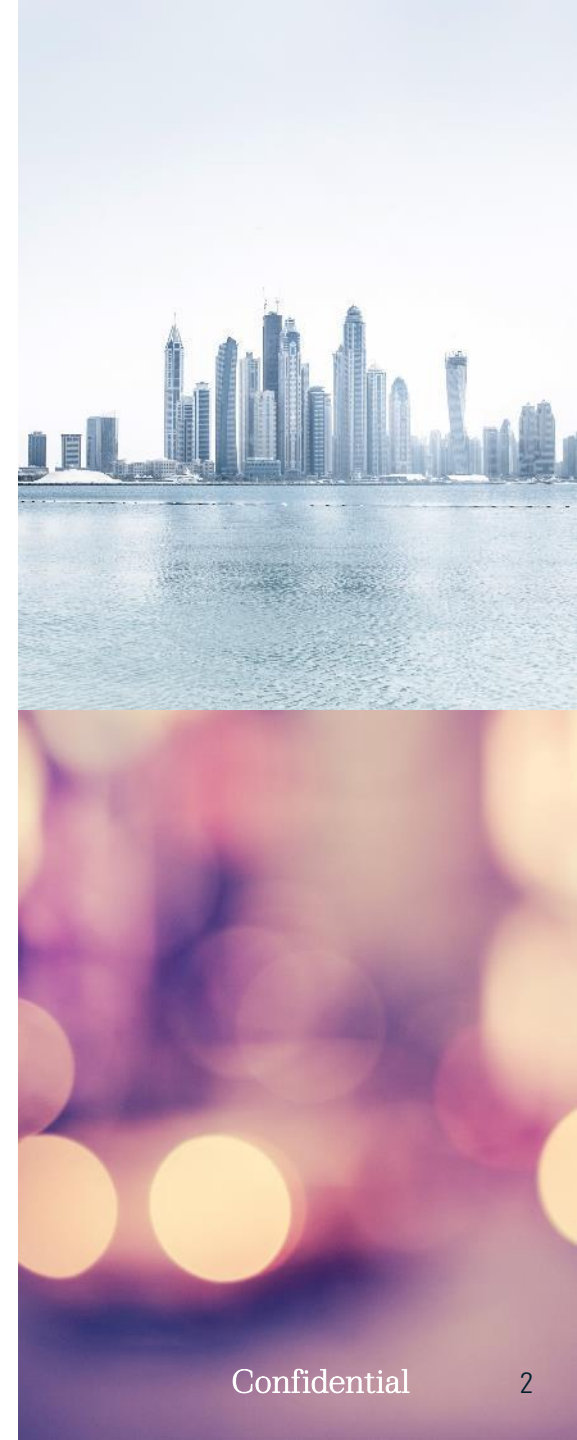
OVERVIEW

Through our patent-pending proprietary technology & first principles quantitative approach we have successfully automated:

- Bond Credit Evaluation

- Bond Price Evaluation

- Bond Summary Scores

The future of bond trading is here!

WHAT IS BOND DATA?

BOND DATA is a data analytics fintech company specializing in automated fundamental (credit) and technical (price) evaluation services for municipal and corporate bond investors. Our mission is to enhance transparency in fixed income markets, empowering investors to make well-informed decisions. We are excited to help revolutionize one of the world's largest financial markets with our industry leading quantitative technology which facilitates automation, consistency, transparency, simplicity, and time savings. Our patent-pending methodology has streamlined the bond evaluation process to identify and concisely summarize whether a bond is priced rich or cheap and whether its credit fundamentals are strengthening or weakening. This comprehensive approach results in material time savings and value-add during the bond selection and surveillance process.

WHY BOND DATA?

"My professional experiences positioned me to identify unaddressed needs and opportunities within the fixed income market. My tenure at S&P taught me how to calculate and predict rating changes. Time at Morningstar honed my ability to develop fintech products and applications. Finally, managing a multi-billion-dollar portfolio on the buyside provided me with extensive bond trading and portfolio management expertise. The confluence of these experiences enabled me to identify existing gaps within the fixed income industry, inspiring the inception of BOND DATA to resolve them." – Michael Furla

FOUNDER & CEO BACKGROUND
MICHAEL FURLA, CFA

S&P Global Ratings 2011 – 2016 (Rating Analyst)

- Constructed S&P's Local Government GO rating calculation engine used to calculate ratings for city and county municipal bonds.

- Constructed S&P's internal Local Govt. GO surveillance system, which would predict rating upgrades and downgrades.

Morningstar 2016 – 2017 (Fixed Income Methodology Engineer)

- Helped design & produce fixed income data analytics for asset managers and bond funds (e.g., effective duration, yield, average rating, etc.).

The Mather Group, LLC 2017 – 2024 (Head of Fixed Income, Managing Director)

- Fixed Income Dept. Head & Co-Head of the Investment Department at a $12 billion AUM RIA and Family Office.

- Facilitated firm growth from $800 million to $12 billion in 7 years.

- Built the fixed income department from scratch, managing $1.5 billion in individual bond portfolios (Municipals, Corporates, Treasuries, etc.).

- Responsibilities included: Fixed Income Portfolio Management, Bond Trading, Bond Surveillance, Bond Reporting, and Investment Model Architecture.

VALUE PROPOSITION

Business Development:
- Leverage our credit momentum and bond summary scores as powerful tools to differentiate your offerings and gain a competitive edge in the market

Time Savings:
- Streamline Credit Analysis (portfolio construction & surveillance)
- Streamline Bond Selection & Screening Process

Cost Savings:
- Boost the efficiency of bond traders, credit analysts, and portfolio managers

Custom Solutions:
- Customizable and flexible solutions

Compliance:
- Ensure systematic, rules-based surveillance

PRODUCTIVITY COST SAVINGS

We <u>DO NOT</u> replace people; we help teams become materially more productive

Cost Savings:

- Credit Analyst ~ $150K/year   = $75/hour
- Review time per bond   = 5 minutes
- Cost per bond review   = $6.25
- 1,000 bonds   = $6,250

Time Savings:

- Review time per bond   = 5 minutes
- 1,000 bonds   = 83.5 hours
- 1,000 bonds/week   = 2 Employees
  - 2 FTEs   = **$300K + benefits**

FTE = Full Time Equivalent (2,000 hours)
Benefits = 30% - 40% of base salary

Potential Cost Savings

Municipal Return Alpha:

- Estimated Spread Alpha   = 50 bps
  - $1 Million Face Value   = $5,000/year
  - $100 Million Face Value   = $500,000/year
  - $1 Billion Face Value   = **$5,000,000/year**

Potential Return Alpha

Corporate Return Alpha:

- Estimated Spread Alpha   = 25 bps
  - $1 Million Face Value   = $2,500/year
  - $100 Million Face Value   = $250,000/year
  - $1 Billion Face Value   = **$2,500,000/year**

Estimated Spread Alpha is the Yield Curve Standard Deviation

Calculation:
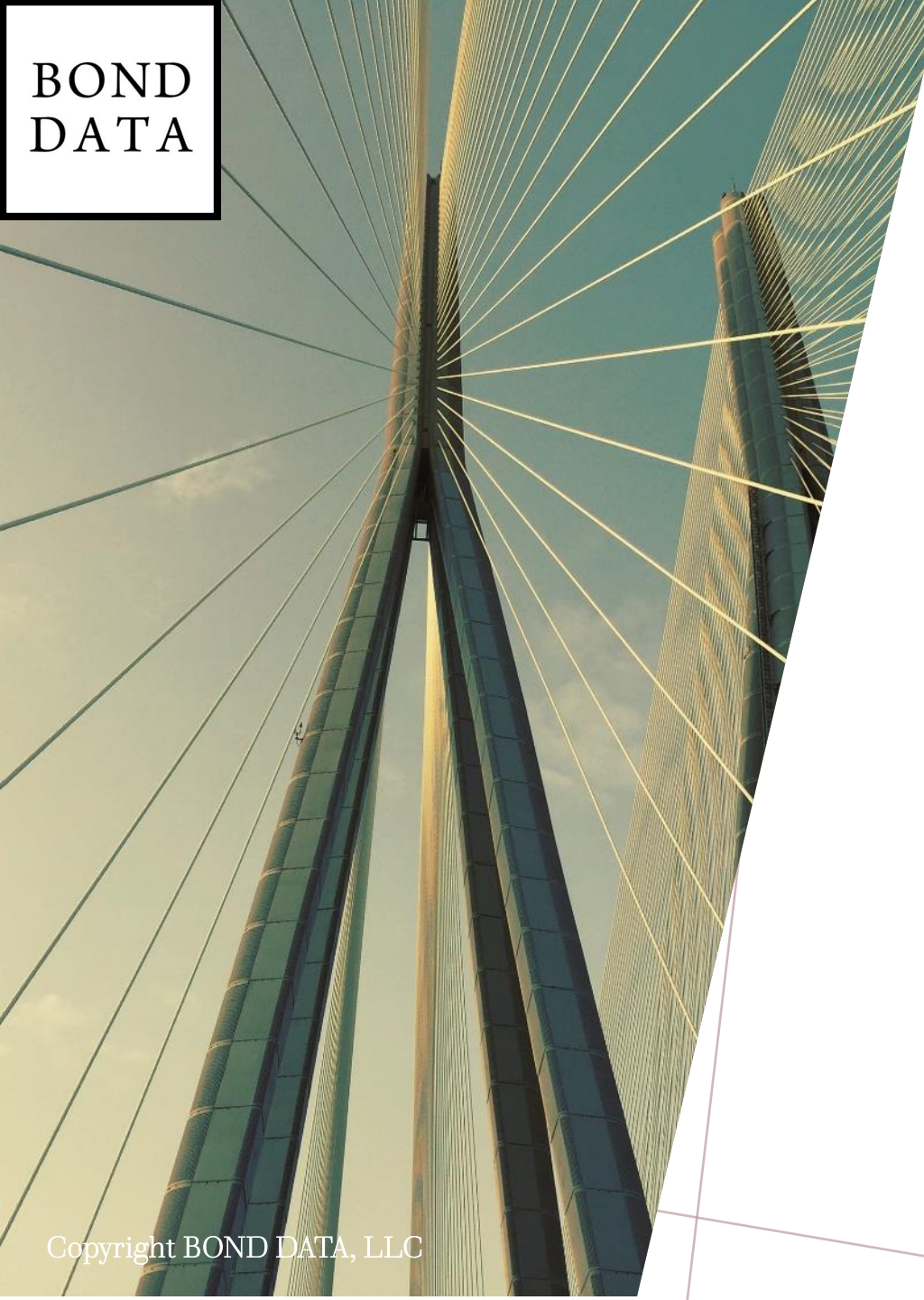= Cheap Bond Yield – Median Yield Curve Rate
= 1-Standard Deviation Spread

Potential Return Alpha

DISTRIBUTION

This data is available through:

- Online Portal
- API (Application Programming Interface)
- Excel Add-in (Coming Soon)

Easy to integrate into other systems

THANK YOU

Michael Furla, CFA

Founder & CEO

www.BondData.com

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