

| Q  | Date       | Days | IMM     | Last    | N Rate  | 6-mo   | 1yr    | 2yr    | 5yr    | 7yr    | 10yr   |
|----|------------|------|---------|---------|---------|--------|--------|--------|--------|--------|--------|
|    | spot       |      | 2 Front | 97.7050 | 2.2950% | 2.657% | 2.928% | 3.295% | 3.994% | 4.383% | 4.848% |
| 1  | 12/15/2004 | 91   | EDZ4    | 97.5225 | 2.4775% | 2.663% | 2.940% | 3.302% | 3.997% | 4.389% | 4.850% |
| 2  | 3/16/2005  | 91   | EDH5    | 97.1700 | 2.8300% | 2.961% | 3.168% | 3.476% | 4.125% | 4.501% |        |
| 3  | 6/15/2005  | 98   | EDM5    | 96.9400 | 3.0600% | 3.165% | 3.353% | 3.617% | 4.239% | 4.603% |        |
| 4  | 9/21/2005  | 91   | EDU5    | 96.7500 | 3.2500% | 3.340% | 3.505% | 3.746% | 4.351% | 4.702% |        |
| 5  | 12/21/2005 | 84   | EDZ5    | 96.5900 | 3.4100% | 3.490% | 3.631% | 3.860% | 4.452% | 4.792% |        |
| 6  | 3/15/2006  | 98   | EDH6    | 96.4700 | 3.5300% | 3.600% | 3.740% | 3.961% | 4.545% | 4.875% |        |
| 7  | 6/21/2006  | 91   | EDM6    | 96.3600 | 3.6400% | 3.707% | 3.847% | 4.067% | 4.643% | 4.961% |        |
| 8  | 9/20/2006  | 91   | EDU6    | 96.2600 | 3.7400% | 3.813% | 3.949% | 4.169% | 4.738% | 5.042% |        |
| 9  | 12/20/2006 | 91   | EDZ6    | 96.1500 | 3.8500% | 3.914% | 4.051% | 4.269% | 4.827% |        |        |
| 10 | 3/21/2007  | 91   | EDH7    | 96.0600 | 3.9400% | 4.008% | 4.151% | 4.369% |        |        |        |
| 11 | 6/20/2007  | 91   | EDM7    | 95.9650 | 4.0350% | 4.106% | 4.252% | 4.469% |        |        |        |
| 12 | 9/19/2007  | 91   | EDU7    | 95.8650 | 4.1350% | 4.210% | 4.353% | 4.568% |        |        |        |
| 13 | 12/19/2007 | 91   | EDZ7    | 95.7600 | 4.2400% | 4.308% | 4.455% | 4.665% |        |        |        |
| 14 | 3/19/2008  | 91   | EDH8    | 95.6700 | 4.3300% | 4.404% | 4.555% | 4.761% |        |        |        |

Trust has swaps  
 Receive 3-mo LIBOR  
 Pay fix 3.1%  
 Notional \$ 10,000,000  
 Time 1 Year  
 What is market value of the Swap?

| P | Time   | fwd    | discCF | PVfix      | PVfloat    | Diff      |
|---|--------|--------|--------|------------|------------|-----------|
| 1 | 0.2472 | 2.830% | 0.9939 | \$ 77,594  | \$ 69,538  | \$ 8,056  |
| 2 | 0.2667 | 3.060% | 0.9865 | \$ 77,013  | \$ 80,496  | \$ -3,483 |
| 3 | 0.2500 | 3.250% | 0.9800 | \$ 76,505  | \$ 79,622  | \$ -3,117 |
| 4 | 0.2333 | 3.410% | 0.9726 | \$ 75,930  | \$ 77,386  | \$ -1,456 |
|   |        |        |        | \$ 307,042 | \$ 307,042 | \$ 0      |

$$PV_{\text{fixed}} = C \times \sum_{i=1}^M \left( P \times \frac{t_i}{T_i} \times df_i \right)$$

$$PV_{\text{float}} = \sum_{j=1}^N \left( P \times f_j \times \frac{t_j}{T_j} \times df_j \right)$$

$$C = \frac{PV_{\text{float}}}{\sum_{i=1}^M \left( P \times \frac{t_i}{T_i} \times df_i \right)}$$

P = notional amount  
 C = swap rate  
 M,N = # of fixed, floating payments  
 ti/Ti = portion of time  
 dfi,dfj = discount factors  
 fj = forward rate