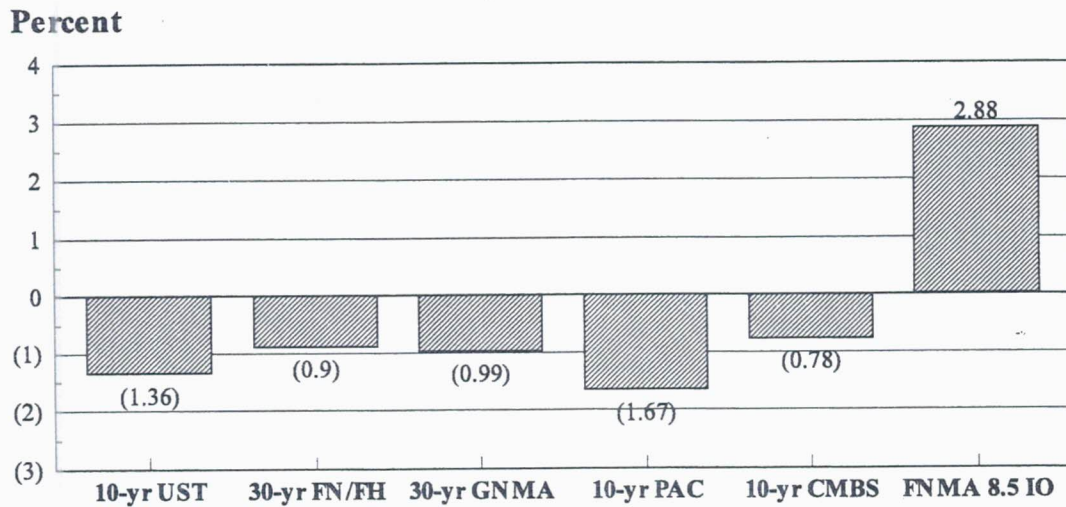

MBS Performance and Relative Value April 1994

MBS Performance 10-year Sector



Samir Shah
May 13, 1994

The Authors

Samir Shah is a Vice President and Senior Strategist of the Mortgage-Backed Securities Strategies Group of Nomura Securities International, Inc. (NSI).

Nomura Securities International, Inc.
2 World Financial Center, Building B
New York, New York 10281-1198
(212) 667-2060

The author gratefully acknowledges the contributions of David Lien, Assistant Vice President, and Barbara Huber, Analyst.

ADDITIONAL INFORMATION IS AVAILABLE UPON REQUEST.

Although the information contained herein is based on sources which Nomura Securities International, Inc. ("Nomura") believes to be reliable, Nomura makes no representation or warranty that such information is accurate or complete. Nothing herein should be considered as an offer to sell or solicitation of an offer to buy any securities. All prices, yields, analyses, computations, terms and opinions expressed are hypothetical and subject to change without notice. Any such information should under no circumstances be considered projections of Nomura, or statements of fact or representations or warranties of any kind. Any such information may be based on assumptions which may or may not be accurate, and any such assumption may differ from actual results. Investors are reminded that before making an investment decision with respect to any securities they should read in its entirety, and rely solely on, the final prospectus for the same. Nomura and its affiliates may have a position in the securities discussed herein and may make purchases from and/or sales to customers on a principal basis, or as agent for another person. In addition, Nomura and certain of its affiliates may have acted as an underwriter of such securities, and may currently be providing investment banking services to the issuers of such securities.

Copyright 1994 by Nomura Securities International, Inc.

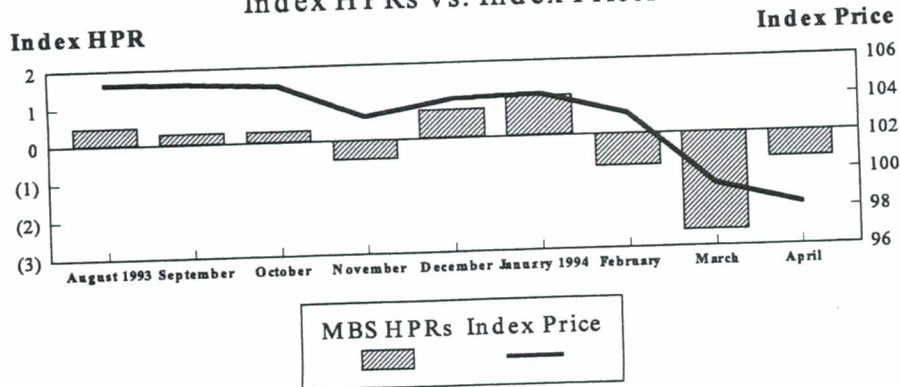
Table of Contents

| | |
|--|---------|
| Summary of MBS Performance | Page 4 |
| Relative Value and Recommendations | Page 5 |
| MBS Performance Review - Agency Passthroughs | Page 7 |
| MBS Performance Review - Benchmark CMOs | Page 8 |
| MBS Performance Review - Benchmark IOs | Page 9 |
| MBS Performance Review - Commercial MBSs | Page 10 |
| Table of Tables | Page 11 |
| MBS Performance and Relative Value Tables | Page 12 |

**April 1994
Summary of MBS Performance**

Interest rates continued their rise in April, ending the month with the 10-year up 27 bps, and the 2-year up 55 bps. The rise in rates, combined with the flattening of the yield curve, extension risk concerns, and derivatives supply from "blown-up" hedge funds, resulted in most MBSs continuing to log negative HPRs (holding period returns), even though numerous sectors managed to outperform their benchmarks Treasuries. IOs, which had the best performance last month, had mixed results, with cusp coupons performing well, and discounts and premiums underperforming. The sectors with the most consistent performance remain commercial MBSs and PACs off 15-year collateral (both Agency and non-Agency), primarily due to their limited extension risk potential.

**The Nomura Agency MBS Index
Index HPRs vs. Index Prices**



The Agency MBS Index outperformed Treasuries last month (see Table 1), returning -0.71% for the month, as compared with -1.16% for the 5-yr. UST, and -0.74% for the 3-yr. UST, in spite of the index duration extending 0.27 years to 4.58 years. The best performing sectors were the discounts and the premiums, which allowed barbell strategies to outperform the index, as well as 15-year currents and cusps.

CMOs showed mixed results, based on the type of collateral and structure. 15-year PACs continued to tighten, especially FFIEC eligible bonds, as investors groped to limit extension risk. PACs off 30-year collateral widened, while sequentials, TACs, companions and X-PACs off premium collateral were priced at significantly slower speeds (100 PSA, for the most part), resulting in their underperforming their benchmarks.

Commercial MBSs continued to outperform their benchmark Treasuries, primarily due to their higher coupon HPRs and their wide yield spreads. While most investment grade CMBSs maintained their spreads, BBB-rated CMBSs tightened, in response to tighter executions of new deals.

IOs, as mentioned above, had mixed results, with cuspy coupons returning between 2.10% to 2.88%, as they continued to appreciate and extend. Low coupon IOs, however, lost value and depreciated as higher discount rates reduced their present values, as their cashflows cannot extend any further.

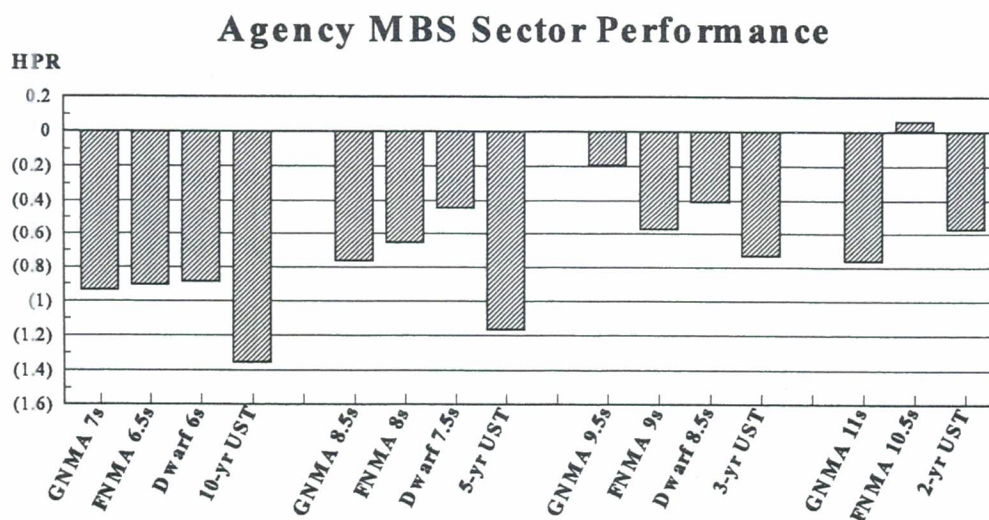
Relative Value and Recommendations

- **The backup in rates, with its slower prepayment speeds, in conjunction with wider MBS spreads, has made the mortgage market extremely cheap.** Lower prices have improved the convexity of the mortgage market, and spreads have widened as rates rose, instead of tightening, as the cost of negative convexity declined. **We would thus recommend overweighting MBSs in portfolios, and underweighting USTs, as most MBSs offer significant relative value to benchmark Treasuries.** The value of MBSs can be seen in Table 36, in the widening of horizon spreads that can be tolerated to breakeven to benchmark UST total returns.
- **We continue to recommend adding convexity to portfolios,** given the continued high volatility of the markets, rather than focusing on high-yielding, negatively convex securities. In a volatile market, positively convex securities should allow investors to optimize their total returns, irrespective of the direction of the market. Please refer to our 4/11/94 article, *Value in the Mortgage Market - Positively Convex MBSs*, for details. **In general, this is likely to lead us to recommend PACs and CMBSs over passthroughs. However, passthroughs have also cheapened dramatically, and should be preferred if the bias is towards a declining of volatility at these rate levels. The choice between passthroughs and well call-protected securities should thus be a decision on volatility.**
- **The biggest concern of the market remains extension risk, especially in CMOs. This can be mitigated primarily through the choice of collateral.** We continue to recommend **relo and discount whole loan collateral, which should continue to have limited extension risk by nature of their high turnover rates.** We also expect **1993 production CMOs to turnover at higher PSA speeds than 1994 production MBSs,** as we believe that the relationship between mortgage age and the seasoning of the borrowers' turnover function has broken down as a result of refinancing. **We do not expect 1993 production CMOs to suffer extension, as a result, since their average lives are determined by PSA speeds, and not CPRs.**
- **The best extension and convexity protection comes from CMBSs, most of which are well call protected.** These MBSs should trade like corporates or ABSs, and are extremely cheap as a result. We expect these to tighten as the market for them develops and information about their performance becomes public.

- **In the short duration sector, we continue to recommend whole loan PACs over premium passthroughs and, even though our benchmark WL PACs (off 15-yr. collateral) have already tightened.** Whole loan CMOs have been tormented by uncertainty about extension risk, as there is limited data available about their turnover speeds. **We believe that the market has over estimated the risk of whole loan extension, especially in the case of PACs.** While we believe that jumbo collateral is likely to have higher turnover demographics than conventional collateral, due to the greater income and mobility of the borrower base, even in the worst case, using the same argument as that proposed for 1993 production CMOs, we expect the strong housing market to result in the relatively small CPRs that are required for high PSAs for new mortgages, as we believe that the housing turnover function of new MBSs is more seasoned than the age of the securities. The breakeven spread widenings required for whole loan PACs to outperform comparable benchmarks, in Table 36, verify their value.
- **Premium cuspy passthroughs, such as Dwarf 8.5s, are also cheap, and can widen even in a down 100 bps scenario.** These securities have benefited from the flattening of the yield curve, which has lowered the total returns of benchmark Treasuries, since the benefit from rolling down the curve has declined. We would also recommend Dwarf 8.5s over Midget 9s, FNMA 9.5s, and GNMA 10s, as they perform better in a rally. We do not recommend short premium Balloons.
- **We also recommend short 30-year Agency PACs relative to Treasuries,** as we believe that they are fairly priced, although they are no longer cheap, and have breakeven spreads that justify their pricing. Among these, we especially like those off GNMA collateral, as they have significantly better convexity characteristics than conventionals, and maintain their PAC bands in a rally. Short PACs off 15-year collateral, however, are marginally richer, and we would not recommend them. We would currently only recommend such securities for accounts wishing to closely match the cashflows of liabilities, such as GIC accounts and banks with matched funding; on a total return basis, we prefer the short cuspy passthroughs for their liquidity.
- **If the bias is towards further yield curve flattening, we would recommend short wide window PACs over tight window PACs.** Tight window PACs perform better than wide window PACs in a steep yield curve environment, as they can roll down the curve, and thus trade tighter. If the yield curve flattens, tight window PACs will underperform wide window PACs as the higher coupons of the wide window PACs will dominate total returns. See our 2/28/94 analysis *Wide Window PACs outperform Tight Window PACs in a Flattening* for a quantification of this recommendation.
- **In the intermediate sector (4-yr. to 7-yr. WALs), we also recommend PACs, especially those off discount whole loan collateral and 30-year collateral.** Both these sectors offer attractive spreads and convexity, and being out-of-the-money, offer protection in a rally. As discussed above, we don't believe that extension risk should be of concern for PACs, especially since most CMOs have "catch-up clauses". The breakeven spreads and stable WALs in Table 36 are testimony to the value in these PACs. We would not recommend 15-yr. backed PACs, as they are relatively rich, nor do we recommend X-PACs.

- We prefer the intermediate PACs to passthroughs primarily for the protection they offer in a rally; however, as we discussed above, **we would recommend some cuspy and low discount passthroughs for those with either a bearish or a low volatility bias.** Our recommendations include GNMA 8s, FNMA 7.5s, and Midget 7s, in that order.
- **In the long duration sectors, we continue to recommend commercial MBSs.** As discussed in previous Reviews, the stable cashflows and high yields and coupons of these securities allow them to outperform their comparables. In addition, as the market for these securities develops, and the commercial real estate market continues its recovery, these securities should significantly outperform residential CMOs over an intermediate horizon, as we would expect them to tighten.
- **Among long residential MBSs, we prefer long PACs off discount collateral, and X-PACs, as they should have more predictable returns, especially in a rally.** Long duration passthroughs, however, are also attractive for investors with a low volatility bias. We favor GNMA 7.5s over FNMA 7s, and especially recommend moderately seasoned GNMA 7.5s, which typically trade at +4/32s to TBAs, as they have a greater yield than either TBA GN 7.5s or FNMA 7s. We also like FNMA 6.5s, however, as their low price gives them positive convexity with a wide spread.
- **Our favored index beating strategy is a mild barbell with GNMA 7.5s and Dwarf 8.5s.**
- **In IOs, we recommend 9s as providing the best convexity and hedge performance, especially in GNMA, but also conventionals.** We should see this coupon appreciate if rates rise any further and speeds in this coupons slow down. We also believe that discount IOs should be avoided, as they offer highly negative convexity with positive effective durations, which will result in poor total returns if rates rise or remain volatile. For those attracted to discount IOs for their positive carry, we would suggest long discount PAC IOs, as they should have significantly better convexity from their lockouts.

MBS Performance Review - Agency Passthroughs



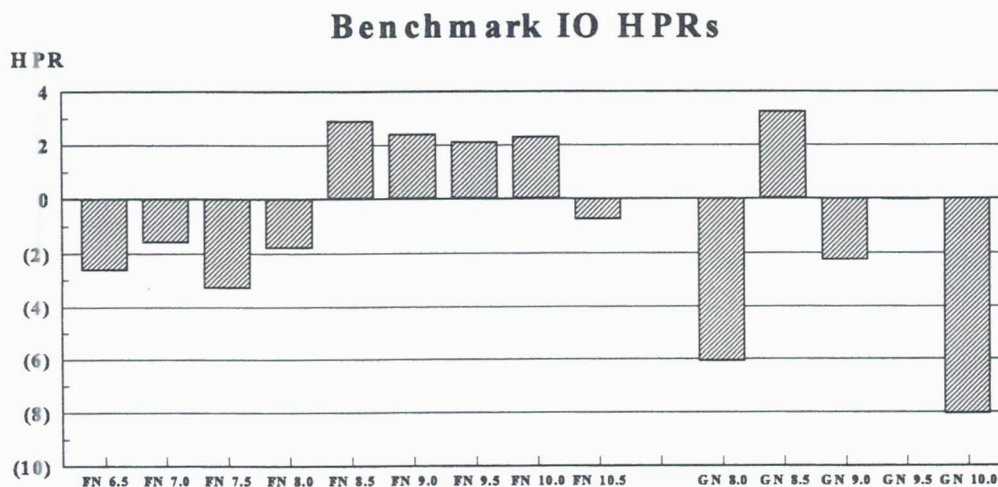
- **The Agency index continued lengthening, as rising rates extended the index's duration to 4.58 years.** Over 66% of the index is currently in our long duration (> 4 years) bucket (Table 12), with only 0.03% of the index remaining in the short duration (< 2 years) bucket.
- **Most passthroughs outperformed their UST benchmarks in April,** as they tightened from their levels at the end of last month. This can also be seen in the OAS tightening of almost all coupons. Total returns across the board were helped by the slowdown in prepayments, as overall HPRs from principal were only -0.06%, as compared to -0.08 last month.
- **Due to their shorter durations, the best performing passthrough sectors, in absolute terms, were the premiums and super premiums.** Some conventional superpremiums, such as 10.5s and 11.5s did exceptionally well, and logged positive HPRs, as high HPRs from coupons offset price and prepayment HPR losses. GNMA premiums tended to prepay faster than conventionals, and did not perform as well as a result. (See Tables 13 and 15).
- **Conventional 30-yr. discounts, especially FNMA 6s, also performed very well,** outperforming both 15-year discounts as well as GNMA discounts by 27 and 18 bps respectively (see Tables 2 and 3). Most Midget discounts also outperformed their discount conventional 15-year counterparts (50 bps lower coupons).
- **Among cusps/low premiums, GNMA 30-years and conventional 15-years both outperformed conventional 30-years** (Tables 2 and 3), by between 17 and 38 bps.
- **Both types of 15-year products, Midgets and conventionals, outperformed their 30-year equivalents,** in the current coupon sectors (Tables 4 and 5).
- **Dwarfs also soundly outperformed 7-year balloons** (Table 6).

MBS Performance Review - Benchmark CMOs (Table 32)

- As mentioned above, CMOs showed mixed total return results in April. **PACs off 15-year collateral had the best performance,** with short Agency 15-year PACs tightening between 3 and 6 bps, while whole loan 15-year PACs tightened between 3 and 10 bps. **In general, CMOs underperformed passthroughs, as extension concerns and the yield curve flattening adversely effected them.** (In general, most CMOs perform better than passthroughs when the yield curve steepens, as they can then take advantage of rolling down the curve.)
- **In contrast, 30-year PACs widened,** as extension risk driven sentiment led to sub-100 PSA expectations.
- **Short sequentials and busted premium PACs were the worst hit by extension risk concerns,** they were priced both at wider spreads and slower speeds. Longer TACs and sequentials also underperformed, as they extended.

- Our benchmark long X-PAC tightened marginally, as it was already being priced to a worst case scenario.
- Long companions and PAC IIs are also being priced to 100 PSAs, and suffered underperformance as a result of the extension.

MBS Performance Review - Benchmark IOs (Table 33)



- IOs had mixed performance in April, depending on the collateral. 8.5s, which were the cusp coupon, had the best performance among conventional IOs, and returned 2.88%, with 5.98% price gains more than offsetting their negative carry (2.49% from coupon less -5.60% from principal.) 9s IOs had the next best performance, returning 2.40%. 9.5s IOs and 10s IOs also had positive HPRs.
- Among GNMA IOs, only 8.5s had positive HPRs. However, they had the highest HPRs among IOs, returning 3.24%, as the rate rise made them non-refinancible.
- Discount IOs had negative HPRs, as they had richened considerably over the past month. With their prepayment option significantly out of the money, they no longer have the potential to extend any further. As a result, they have begun trading with positive durations, and further rate increases should further devalue these securities, as discounting at higher rates reduces the present values of their relatively fixed cashflows.

MBS Performance Review - Benchmark Commercial MBSs (Table 34)

- **CMBSs continued to outperform their equal duration UST benchmarks, primarily to their HPRs from coupons.**
- **Lower rated CMBSs had the best performance, in spite of unchanged spreads, due the huge HPRs from coupons.** For example, NASC 94-MD1 - B3A, a B-rated 19-year WAL CMBS off mixed Hotel and Retail collateral, had a positive HPR of 0.06 in April, as a result of a 1.05% HPR from coupon offsetting its -0.99% HPR from price.
- **Spreads on most CMBSs were unchanged during the month, with the exception of the BBB-rated sector, which tightened in multifamily and congregate care backed securities.**
- **The hotel sector tightened across the board, as new issuance's cleared at tighter levels.** For example, our benchmark Cooper Hotel Management CMBSs tightened by 10 bps.
- **While the rate rise appears to have slowed down new deal creation, there is a large pipeline of deals created in spring, which should be coming to market in July-August. The RTC is also expected to securitize some more assets.**

Table of Tables

| Table | | Page |
|--|---|-------------|
| <u>MBS Performance Analysis</u> | | |
| 1 | Sector Summary from 2/28/1994 to 3/31/1994 | 12 |
| 2 | Buy GNMA1 30 Year - Sell FNMA 30 Year | 13 |
| 3 | Buy FNMA 15 Year - Sell FNMA 30 Year | 13 |
| 4 | Buy GNMA1 15 Year - Sell GNMA1 30 Year | 14 |
| 5 | Buy GNMA1 15 Year - Sell FNMA 15 Year | 14 |
| 6 | Buy FNMA 7 Year Balloon - Sell FNMA 15 Year | 15 |
| 7 | Buy FNMA 7 Year Balloon - Sell FNMA 30 Year | 15 |
| 8 | Buy FNMA 20 Year - Sell FNMA 30 Year | 16 |
| 9 | Buy FNMA 20 Year - Sell FNMA 15 Year | 16 |
| 10 | Long Duration (>4.0 years) Sector Summary | 17 |
| 11 | Medium Duration (2.0 years to 4.0 years) Sector Summary | 18 |
| 12 | Short Duration (<2.0 years) Sector Summary | 19 |
| 13 | GNMA1 30 Year Total Returns | 20 |
| 14 | GNMA2 30 Year Total Returns | 21 |
| 15 | FNMA 30 Year Total Returns | 22 |
| 16 | GOLD 30 Year Guarantor Total Returns | 23 |
| 17 | GOLD 30 Year Cash Total Returns | 24 |
| 18 | FHLMC 30 Year Guarantor Total Returns | 25 |
| 19 | FHLMC 30 Year Cash Total Returns | 25 |
| 20 | GNMA1 15 Year Total Returns | 26 |
| 21 | GNMA2 15 Year Guarantor Total Returns | 27 |
| 22 | FNMA 15 Year Total Returns | 28 |
| 23 | GOLD 15 Year Guarantor Total Returns | 29 |
| 24 | GOLD 15 Year Cash Total Returns | 30 |
| 25 | FHLMC 15 Year Guarantor Total Returns | 31 |
| 26 | FHLMC 15 Year Cash Total Returns | 31 |
| 27 | FNMA 20 Year Total Returns | 32 |
| 28 | GOLD 20 Year Total Returns | 32 |
| 29 | FNMA 7 Year Balloon Total Returns | 33 |
| 30 | GOLD 7 Year Balloon Total Returns | 34 |
| 31 | GOLD 5 Year Balloon Total Returns | 35 |
| 32 | Benchmark Agency CMO Total Returns | 36 |
| 33 | Benchmark IO Total Returns | 37 |
| 34 | Benchmark Commercial MBS Total Returns | 38 |
| 35 | Benchmark US Treasuries Total Returns | 39 |
| 36 | Breakeven Yield Spreads to Benchmark Treasuries | 40 |

TABLE 1
Nomura Agency MBS Index - Sector Summary from 3/31/1994 to 4/29/1994

| Product Sector | Average Coupon | Ending Price (32nd) | Price Change (32nd) | Current Face (\$bill) | Market Value (\$bill) | Index (%) | Holding Period CPR (%) | HPR from Price (%) | HPR from Coupon (%) | HPR from Princpl (%) | HPR from Relnrv (%) | MBS HPR (%) | Dollar Roll HPR (%) | Tsy HPR (%) | Tsy Bench-Mark (year) | MBS-Tsy HPR (%) | OA Dur (%) | OA Cvx (%) |
|-------------------------|----------------|---------------------|---------------------|-----------------------|-----------------------|-----------|------------------------|--------------------|---------------------|----------------------|---------------------|-------------|---------------------|-------------|-----------------------|-----------------|------------|------------|
| GNMA1 30 Year | 8.25 | 100-05 | (1-06) | 307.41 | 312.74 | 6.39 | 27.77 | -1.23 | 0.67 | -0.13 | 0.0057 | -0.69 | -0.66 | -1.11 | 6 | 0.42 | 5.29 | -0.68 |
| GNMA2 30 Year | 8.67 | 102-04 | (1-04+) | 12.99 | 13.47 | 1.14 | 35.95 | -1.16 | 0.69 | -0.23 | 0.0047 | -0.69 | -0.61 | -1.02 | 5 | 0.33 | 4.27 | -0.71 |
| FNMA 30 Year | 7.75 | 98-01 | (1-08) | 280.48 | 279.62 | 23.60 | 23.10 | -1.31 | 0.64 | -0.06 | 0.0014 | -0.73 | -0.66 | -0.97 | 6 | 0.24 | 4.61 | -0.64 |
| GOLD 30 Year Guarantor | 7.52 | 96-29+ | (1-09+) | 117.79 | 116.18 | 9.80 | 17.46 | -1.36 | 0.63 | -0.03 | 0.0039 | -0.75 | -0.71 | -0.98 | 6 | 0.23 | 4.92 | -0.59 |
| GOLD 30 Year Cash | 7.38 | 96-12 | (1-10+) | 76.35 | 74.94 | 6.32 | 18.76 | -1.40 | 0.62 | -0.00 | 0.0041 | -0.77 | -0.73 | -1.08 | 7 | 0.30 | 5.04 | -0.62 |
| FHLMC 30 Year Guarantor | 9.11 | 103-15 | (1-00) | 37.30 | 39.23 | 3.31 | 36.82 | -1.01 | 0.72 | -0.16 | 0.0072 | -0.44 | -0.50 | -0.82 | 3 | 0.38 | 2.97 | -0.68 |
| FHLMC 30 Year Cash | 9.42 | 104-17+ | (0-29) | 9.92 | 10.53 | 0.89 | 50.51 | -0.91 | 0.74 | -0.29 | 0.0100 | -0.45 | -0.45 | -0.77 | 3 | 0.33 | 2.68 | -0.63 |
| GNMA1 15 Year | 7.23 | 98-08+ | (1-06+) | 26.46 | 26.44 | 2.23 | 13.28 | -1.25 | 0.60 | -0.03 | 0.0036 | -0.67 | -0.66 | -1.05 | 5 | 0.38 | 4.20 | -0.22 |
| GNMA2 15 Year | 8.08 | 101-20 | (1-05) | 0.92 | 0.95 | 0.08 | 28.08 | -1.19 | 0.65 | -0.11 | 0.0039 | -0.65 | -0.67 | -0.89 | 4 | 0.24 | 3.31 | -0.32 |
| FNMA 15 Year | 7.00 | 97-07 | (1-06) | 118.85 | 117.53 | 9.92 | 16.28 | -1.25 | 0.59 | -0.01 | 0.0012 | -0.67 | -0.62 | -1.07 | 5 | 0.40 | 3.99 | -0.26 |
| GOLD 15 Year Guarantor | 6.88 | 96-28 | (1-07) | 61.90 | 61.03 | 5.15 | 12.38 | -1.29 | 0.58 | 0.01 | 0.0010 | -0.70 | -0.68 | -1.10 | 5 | 0.39 | 4.09 | -0.24 |
| GOLD 15 Year Cash | 6.84 | 96-23+ | (1-07) | 51.49 | 50.69 | 4.28 | 15.28 | -1.30 | 0.58 | 0.01 | 0.0011 | -0.71 | -0.68 | -1.10 | 5 | 0.40 | 4.08 | -0.25 |
| FHLMC 15 Year Guarantor | 8.67 | 102-13+ | (0-28) | 4.88 | 5.07 | 0.43 | 32.80 | -0.91 | 0.69 | -0.12 | 0.0072 | -0.32 | -0.46 | -0.69 | 3 | 0.37 | 2.24 | -0.31 |
| FHLMC 15 Year Cash | 8.84 | 102-29 | (0-28) | 3.24 | 3.39 | 0.29 | 46.63 | -0.88 | 0.70 | -0.20 | 0.0101 | -0.37 | -0.43 | -0.74 | 3 | 0.37 | N/A | N/A |
| FNMA 20 Year | 6.81 | 94-28 | (1-10) | 6.78 | 6.55 | 0.55 | 6.63 | -1.41 | 0.59 | 0.02 | 0.0006 | -0.80 | -0.74 | -1.03 | 7 | 0.23 | N/A | N/A |
| GOLD 20 Year | 6.68 | 94-09 | (1-10) | 5.38 | 5.18 | 0.44 | 5.15 | -1.42 | 0.58 | 0.03 | 0.0020 | -0.81 | -0.74 | -1.03 | 7 | 0.22 | N/A | N/A |
| FNMA 7 Year Balloon | 6.64 | 98-00 | (1-11) | 20.97 | 20.94 | 1.77 | 23.00 | -1.39 | 0.55 | -0.01 | 0.0014 | -0.85 | -0.82 | -1.01 | 4 | 0.16 | 3.73 | -0.18 |
| GOLD 7 Year Balloon | 6.59 | 97-30+ | (1-10) | 13.93 | 13.89 | 1.17 | 20.97 | -1.36 | 0.55 | -0.00 | 0.0043 | -0.80 | -0.78 | -1.01 | 4 | 0.21 | 3.71 | -0.19 |
| GOLD 5 Year Balloon | 6.41 | 98-25+ | (1-19) | 26.33 | 26.56 | 2.24 | 23.27 | -1.63 | 0.53 | -0.01 | 0.0046 | -1.11 | -1.04 | -0.82 | 3 | -0.29 | 2.56 | -0.06 |
| | 7.67 | 98-15+ | (1-07) | 1183.37 | 1184.94 | 100.00 | 22.49 | -1.29 | 0.63 | -0.06 | 0.0034 | -0.71 | -0.67 | -1.03 | 6 | 0.32 | 4.58 | -0.53 |

TABLE 2
Nomura Agency MBS Index - Inter-Sector Total Return Comparisons

| Buy GNMA 15 Year | Sell FNMA 30 Year | Current Price Spread | Starting Price Spread | Price Spread Change | MBS HPR Pick up | Pick up from Price | Pick up from Coupon | Pick up from Principal | Pick up from Relv | Current OAS Pick up | Starting OAS Pick up | OAS Pick up Change | OA Duration (%) | OA Cvx (%) |
|---------------------|----------------------|----------------------------|-----------------------------|---------------------------|-----------------------|--------------------------|---------------------------|------------------------------|-------------------------|---------------------------|----------------------------|--------------------------|-----------------------|------------------|
| 6.500 | 6.000 | 2-03 | 2-10 | (0-07) | -0.18 | -0.20 | 0.03 | -0.01 | 0.0009 | -24 | -26 | 2 | 1.13 | -0.28 |
| 7.000 | 6.500 | 2-12 | 2-15 | (0-03) | -0.03 | -0.06 | 0.03 | -0.00 | 0.0011 | -19 | -20 | 1 | 0.89 | 0.21 |
| 7.500 | 7.000 | 2-13+ | 2-13 | 0-00+ | 0.07 | 0.05 | 0.03 | -0.00 | 0.0021 | -14 | -12 | -2 | 0.77 | -0.39 |
| 8.000 | 7.500 | 2-08 | 2-07+ | 0-00+ | 0.03 | 0.04 | 0.03 | -0.04 | 0.0044 | -7 | -5 | -2 | 0.71 | -0.26 |
| 8.500 | 8.000 | 2-03 | 2-05 | (0-02) | -0.11 | -0.04 | 0.03 | -0.10 | 0.0067 | 1 | 4 | -3 | 0.77 | 0.08 |
| 9.000 | 8.500 | 2-02 | 1-19 | 0-15 | 0.38 | 0.46 | 0.03 | -0.11 | 0.0068 | 6 | 22 | -16 | 0.68 | 0.20 |
| 9.500 | 9.000 | 1-19 | 1-07 | 0-12 | 0.38 | 0.36 | 0.03 | -0.02 | 0.0052 | 21 | 37 | -16 | 0.62 | -0.02 |

TABLE 3
Nomura Agency MBS Index - Inter-Sector Total Return Comparisons

| Buy FNMA 15 Year | Sell FNMA 30 Year | Current Price Spread | Starting Price Spread | Price Spread Change | MBS HPR Pick up | Pick up from Price | Pick up from Coupon | Pick up from Principal | Pick up from Relv | Current OAS Pick up | Starting OAS Pick up | OAS Pick up Change | OA Duration (%) | OA Cvx (%) |
|---------------------|----------------------|----------------------------|-----------------------------|---------------------------|-----------------------|--------------------------|---------------------------|------------------------------|-------------------------|---------------------------|----------------------------|--------------------------|-----------------------|------------------|
| 5.500 | 6.000 | 1-31 | 2-07 | (0-08) | -0.27 | -0.24 | -0.06 | 0.02 | 0.0001 | 3 | -5 | 8 | -1.59 | -0.12 |
| 6.000 | 6.500 | 1-11 | 1-10 | 0-01 | 0.02 | 0.06 | -0.05 | 0.02 | 0.0001 | 3 | -1 | 4 | -1.46 | 0.04 |
| 6.500 | 7.000 | 0-24+ | 0-25 | (0-00+) | -0.04 | -0.00 | -0.05 | 0.01 | 0.0001 | 2 | -2 | 4 | -1.20 | 0.27 |
| 7.000 | 7.500 | 0-10 | 0-03+ | 0-06+ | 0.16 | 0.21 | -0.04 | -0.01 | -0.0001 | 2 | 3 | -1 | -0.97 | 0.43 |
| 7.500 | 8.000 | (0-02) | (0-10) | 0-08 | 0.21 | 0.24 | -0.04 | 0.01 | -0.0003 | 2 | 8 | -6 | -0.63 | 0.65 |
| 8.000 | 8.500 | (0-12) | (0-24) | 0-12 | 0.35 | 0.36 | -0.04 | 0.03 | -0.0002 | 3 | 14 | -11 | -0.36 | 0.87 |
| 8.500 | 9.000 | (1-01) | (1-06) | 0-05 | 0.17 | 0.14 | -0.03 | 0.06 | -0.0001 | 14 | 21 | -7 | -0.11 | 0.43 |

TABLE 4
Nomura Agency MBS Index - Inter-Sector Total Return Comparisons

| Buy GNMA1 15 Year | Sell GNMA1 30 Year | Current Price Spread | Starting Price Spread | Price Spread Change | MBS HPR Pick up | Pick up from Price | Pick up from Coupon | Pick up from Principal | Pick up from Reinv | Current OAS Pick up | Starting OAS Pick up | OAS Pick up Change | OA Duration (%) | OA Cvx (%) |
|----------------------|-----------------------|----------------------------|-----------------------------|---------------------------|-----------------------|--------------------------|---------------------------|------------------------------|--------------------------|---------------------------|----------------------------|--------------------------|-----------------------|------------------|
| 6.000 | 6.500 | 2-02 | 2-02 | 0-00 | -0.00 | 0.04 | -0.06 | 0.02 | 0.0003 | 17 | 12 | 5 | -2.54 | 0.18 |
| 6.500 | 7.000 | 1-10 | 1-05 | 0-05 | 0.14 | 0.18 | -0.05 | 0.01 | 0.0004 | 13 | 11 | 2 | -2.23 | -0.18 |
| 7.000 | 7.500 | 0-25 | 0-20 | 0-05 | 0.11 | 0.17 | -0.05 | -0.01 | -0.0002 | 5 | 5 | 0 | -1.89 | 0.56 |
| 7.500 | 8.000 | 0-13 | (0-02) | 0-15 | 0.42 | 0.46 | -0.04 | -0.00 | -0.0020 | -1 | 6 | -7 | -1.57 | 0.58 |
| 8.000 | 8.500 | (0-03) | (0-08) | 0-05 | 0.16 | 0.15 | -0.04 | 0.05 | -0.0029 | -2 | -2 | 0 | -1.29 | 0.44 |
| 8.500 | 9.000 | (0-20) | (0-01) | (0-19) | -0.53 | -0.56 | -0.04 | 0.07 | -0.0017 | 1 | -16 | 17 | -0.93 | 0.65 |

TABLE 5
Nomura Agency MBS Index - Inter-Sector Total Return Comparisons

| Buy GNMA1 15 Year | Sell FNMA 15 Year | Current Price Spread | Starting Price Spread | Price Spread Change | MBS HPR Pick up | Pick up from Price | Pick up from Coupon | Pick up from Principal | Pick up from Reinv | Current OAS Pick up | Starting OAS Pick up | OAS Pick up Change | OA Duration (%) | OA Cvx (%) |
|----------------------|----------------------|----------------------------|-----------------------------|---------------------------|-----------------------|--------------------------|---------------------------|------------------------------|--------------------------|---------------------------|----------------------------|--------------------------|-----------------------|------------------|
| 6.000 | 5.500 | 2-06 | 2-05 | 0-01 | 0.09 | 0.07 | 0.03 | -0.01 | 0.0011 | -10 | -9 | -1 | 0.19 | 0.02 |
| 6.500 | 6.000 | 2-11 | 2-10 | 0-01 | 0.09 | 0.06 | 0.03 | -0.01 | 0.0014 | -10 | -8 | -2 | 0.12 | -0.01 |
| 7.000 | 6.500 | 2-14 | 2-08 | 0-06 | 0.23 | 0.22 | 0.03 | -0.02 | 0.0018 | -11 | -5 | -6 | 0.08 | -0.09 |
| 7.500 | 7.000 | 2-11 | 2-02 | 0-09 | 0.29 | 0.30 | 0.03 | -0.04 | 0.0025 | -10 | -2 | -8 | 0.11 | -0.11 |
| 8.000 | 7.500 | 2-02 | 2-07 | (0-05) | -0.16 | -0.13 | 0.03 | -0.06 | 0.0041 | -3 | -6 | 3 | 0.10 | -0.13 |
| 8.500 | 8.000 | 1-26 | 2-10 | (0-16) | -0.49 | -0.45 | 0.03 | -0.07 | 0.0053 | 4 | -8 | 12 | 0.11 | -0.01 |

TABLE 32
Benchmark CMOs - Total Returns from 3/31/1994 to 4/29/1994

| Tranche | Type | WAL | Coupon | Collateral | Ending Price (32nd) | Price Change (32nd) | Ending Spread | Spread Change (bp) | HPR from Coupon Price (%) | HPR from Princip (%) | HPR from Reinv (%) | MBS HPR (%) | Tsy Bchmknk (yr) | Tsy HPR (%) | MBS-Tsy HPR (%) | Ending OAS | OAS Change | OA Dur | OA Cvx |
|--------------|----------|-------|--------|------------|---------------------|---------------------|---------------|--------------------|---------------------------|----------------------|--------------------|-------------|------------------|-------------|-----------------|------------|------------|--------|--------|
| FN 93-211 PB | PAC - 15 | 2.05 | 4.90% | 15-Yr 6.0 | 97.11 | -0.29 | +42/2 | -6 | 0.41 | 0.00 | 0.00 | -0.54 | 2 | -0.58 | 0.05 | 31 | -4 | 2.00 | -0.01 |
| FN 93-211 PD | PAC - 15 | 4.05 | 5.50% | 15-Yr 6.0 | 94.21 | -1.09 | +62/4 | -3 | 0.47 | 0.00 | 0.00 | -0.89 | 4 | -0.95 | 0.07 | 45 | -5 | 3.77 | -0.18 |
| FN 93-211 PG | PAC - 15 | 7.49 | 6.00% | 15-Yr 6.0 | 91.19 | -1.12 | +78/7 | +6 | 0.53 | 0.00 | 0.00 | -0.97 | 7 | -0.98 | 0.01 | 60 | -3 | 5.90 | -0.09 |
| FH 1652 PD | PAC - 30 | 4.21 | 5.75% | 30-Yr 7.0 | 95.12 | -1.13 | +70/4 | +6 | 0.49 | 0.00 | 0.00 | -0.99 | 4 | -0.95 | -0.03 | 24 | -11 | 4.12 | -0.32 |
| FH 1652 PG | PAC - 30 | 5.66 | 6.05% | 30-Yr 7.0 | 93.28 | -1.21 | +80/5 | +8 | 0.52 | 0.00 | 0.00 | -1.23 | 5 | -1.17 | -0.07 | 47 | 3 | 4.94 | -0.34 |
| FH 1652 PH | PAC - 30 | 7.66 | 6.35% | 30-Yr 7.0 | 93.11 | -1.06 | +88/7 | +6 | 0.56 | 0.00 | 0.00 | -0.73 | 7 | -0.98 | 0.25 | 46 | -8 | 5.97 | -0.48 |
| FH 1671 G | PAC - 30 | 10.79 | 6.50% | 30-Yr 7.0 | 90.20 | -2.02 | +78/10 | +3 | 0.58 | 0.00 | 0.00 | -1.67 | 10 | -1.36 | -0.31 | 68 | 3 | 7.19 | 0.31 |
| FN 92-125 G | X-PAC | 3.62 | 6.75% | 30-yr 8.5 | 96.125 | -2.28 | +180/2 | +28 | 0.56 | 0.00 | 0.00 | -2.34 | 2 | -0.58 | -1.76 | 33 | 29 | 5.52 | -1.32 |
| FN 93-26 JA | X-PAC | 9.88 | 6.75% | 30-yr 7.5 | 91.19 | -1.19 | +100/10 | +145/5 | 0.60 | 0.00 | 0.00 | -1.14 | 10 | -1.36 | 0.22 | 62 | -2 | 6.56 | -0.41 |
| FN G92-65 J | X-PAC | 14.05 | 7.50% | 30-yr 8.0 | 94.25 | -2.10 | +115/10 | -3 | 0.64 | 0.00 | 0.00 | -1.77 | 7 | -0.98 | -0.79 | 68 | 2 | 8.94 | -0.91 |
| FH 1626 A | Comp. | 11.45 | 6.00% | 15-yr 6.0 | 86.23 | -2.18 | +80/10 | +275/2 | 0.56 | 0.00 | 0.00 | -2.32 | 10 | -1.36 | -0.96 | 49 | 14 | 7.46 | 0.31 |
| FN 93-211 B | Comp. | 13.33 | 6.00% | 15-yr 6.0 | 85.21 | -2.17 | +70/10 | -18 | 0.56 | 0.00 | 0.00 | -2.33 | 10 | -1.36 | -0.97 | 51 | 11 | 7.78 | -0.26 |
| CW 93-11 A5 | WL PAC | 3.13 | 6.25% | 15-yr 6.8 | 97.13 | -1.04 | +108/3 | -5 | 0.53 | 0.00 | 0.00 | -0.64 | 3 | -0.74 | 0.10 | NA | NA | NA | NA |
| CW 93-11 A7 | WL PAC | 5.60 | 6.25% | 15-yr 6.8 | 93.19 | -1.16 | +108/5 | -10 | 0.54 | 0.00 | 0.00 | -1.06 | 5 | -1.17 | 0.11 | NA | NA | NA | NA |
| CW 93-11 A8 | WL PAC | 7.61 | 6.25% | 15-yr 6.8 | 91.11 | -1.08 | +110/7 | -3 | 0.56 | 0.00 | 0.00 | -0.80 | 7 | -0.98 | 0.18 | NA | NA | NA | NA |
| CW 94-01 A3 | WL TAC | 4.11 | 6.25% | 30-yr 7.0 | 93.22 | -2.16 | +185/3 | +12 | 0.54 | 0.02 | 0.00 | -2.06 | 3 | -0.74 | -1.32 | NA | NA | NA | NA |
| CW 94-01 A4 | WL TAC | 10.27 | 6.88% | 30-yr 7.0 | 89.03 | -2.31 | +175/7 | +7 | 0.62 | 0.00 | 0.00 | -2.64 | 7 | -0.98 | -1.66 | NA | NA | NA | NA |
| CW 94-01 A5 | WL TAC | 14.33 | 6.88% | 30-yr 7.0 | 85.29 | -3.08 | +160/10 | +7 | 0.64 | 0.00 | 0.00 | -3.01 | 10 | -1.36 | -1.65 | NA | NA | NA | NA |

TABLE 33
Benchmark IOs - Total Returns from 3/31/1994 to 4/29/1994

| Tranche | Type | Coupon | Ending Price (32nd) | Price Change (32nd) | HPR from Price (%) | HPR from Coupon (%) | HPR from Principal (%) | HPR from Reinv (%) | MBS HPR (%) | Ending OAS | OAS Change | OA Dur | OA Cvx |
|---------|---------|--------|---------------------|---------------------|--------------------|---------------------|------------------------|--------------------|-------------|------------|------------|--------|--------|
| FNS 249 | IO | 6.50% | 35.12 | -1.12 | -3.78 | 1.45 | -0.31 | 0.00 | -2.64 | 239 | 60 | -2.76 | -4.21 |
| FNS 257 | IO | 7.00% | 35.08 | -1.00 | -2.82 | 1.58 | -0.36 | 0.00 | -1.59 | 342 | 59 | -4.08 | -5.41 |
| FNS 254 | IO | 7.50% | 34.16 | -1.12 | -3.88 | 1.71 | -1.13 | 0.00 | -3.29 | 344 | 122 | -8.23 | -6.83 |
| FNS 251 | IO | 8.00% | 34.00 | -0.08 | -0.84 | 1.91 | -2.86 | 0.00 | -1.79 | 229 | 125 | -13.65 | -11.28 |
| FNS 7 | IO | 8.50% | 29.16 | 1.24 | 5.98 | 2.49 | -5.60 | 0.00 | 2.88 | 279 | 28 | -13.63 | -8.14 |
| FNS 6 | IO | 9.00% | 28.16 | 1.16 | 5.23 | 2.70 | -5.52 | 0.00 | 2.40 | 239 | 5 | -16.08 | -3.06 |
| FNS 4 | IO | 9.50% | 27.24 | 1.08 | 4.39 | 2.90 | -5.19 | 0.00 | 2.10 | 258 | 18 | -15.70 | 1.28 |
| FNS 2 | IO | 10.00% | 28.16 | 1.00 | 3.33 | 2.94 | -3.97 | 0.00 | 2.31 | 127 | 3 | -14.07 | 4.30 |
| FNS 50 | IO | 10.50% | 29.08 | 0.00 | -0.19 | 2.90 | -3.46 | 0.00 | -0.75 | -140 | 86 | -13.35 | 8.84 |
| FNS 176 | GNMA IO | 8.00% | 34.16 | -1.16 | -4.21 | 1.82 | -3.71 | 0.00 | -6.11 | 500 | 245 | -11.02 | -9.44 |
| FNS 161 | GNMA IO | 8.50% | 30.00 | 1.24 | 5.88 | 2.45 | -5.09 | 0.00 | 3.24 | 2067 | 1353 | -11.58 | -10.75 |
| FNS 71 | GNMA IO | 9.00% | 28.16 | 0.16 | 1.57 | 2.61 | -6.45 | 0.00 | -2.27 | 757 | 135 | -17.14 | -6.52 |
| FNS 73 | GNMA IO | 9.50% | 28.16 | 0.24 | 2.44 | 2.77 | -5.23 | 0.00 | -0.01 | 538 | 127 | -20.07 | -3.12 |
| FNS 74 | GNMA IO | 10.00% | 28.00 | -2.00 | -6.67 | 2.70 | -4.12 | 0.00 | -8.08 | 440 | 364 | -17.91 | 2.78 |

TABLE 34
Benchmark Commercial MBSs - Total Return from 3/31/1994 to 4/29/1994

| Property Type | Benchmark CMBs | Rating | Public/ Private | Coupon | Maturity Date | WAL | 2/94 Spread | 3/94 Spread | Spread Change (bp) | Ending Price | Price Change | HPR Price (%) | HPR Coupon (%) | HPR Principal (%) | MBS HPR (%) | Tsy Bench- mark (year) | MBS - Tsy HPR (%) | |
|-----------------|-------------------------------------|--------|--------------------|--------|------------------|-------|----------------|----------------|--------------------------|-----------------|-----------------|---------------------|----------------------|-------------------------|-------------------|---------------------------------|----------------------------|-------|
| Multifamily | DLJ Mgt. Acpt. Corp. 1993-M10 A2 | AAA | Public | 7.20% | Jul-03 | 7.98 | +95/8 | +95/8 | 0 | 97-03 | -1.13 | -1.44 | 0.61 | 0.00 | -0.83 | -1.28 | 8 | 0.45 |
| Multifamily | NACC 93-M-1 (Tower Management) - A1 | AA | Private | 7.64% | Nov-00 | 6.57 | +120/7 | +120/7 | 0 | 99-01 | -1.09 | -1.28 | 0.63 | 0.00 | -0.65 | -0.98 | 7 | 0.33 |
| Multifamily | NACC 93-M-1 (Tower Management) - A2 | A | Private | 7.64% | Nov-00 | 6.57 | +155/7 | +155/7 | 0 | 97-10 | -1.08 | -1.27 | 0.64 | 0.00 | -0.63 | -0.98 | 7 | 0.35 |
| Multifamily | NACC 93-M-1 (Tower Management) - A3 | BBB | Private | 7.64% | Nov-00 | 6.57 | +220/7 | +210/7 | -10 | 94-23 | -0.22 | -0.74 | 0.66 | 0.00 | -0.08 | -0.98 | 7 | 0.91 |
| Multifamily | Kidder Peabody 1993-M3 E | BB | Private | 6.50% | Nov-25 | 7.75 | +400/7 | +400/7 | 0 | 78-16 | -0.31 | -1.24 | 0.68 | 0.00 | -0.56 | -0.98 | 7 | 0.42 |
| Multifamily | Kidder Peabody 1993-M3 F | B | Private | 6.50% | Dec-03 | 8.53 | +600/8 | +600/8 | 0 | 68-07+ | -0.27 | -1.22 | 0.78 | 0.00 | -0.44 | -1.28 | 8 | 0.84 |
| Congregate Care | NASC 1993-A1 | AAA | Public | 6.68% | Dec-01 | 6.29 | +100/6.5 | +100/6.5 | 0 | 94-31+ | -1.21 | -1.74 | 0.57 | 0.01 | -1.15 | -0.98 | 7 | -0.17 |
| Congregate Care | NASC 1993-A2 | AA | Public | 6.68% | Dec-01 | 7.63 | +120/8 | +120/8 | 0 | 92-25+ | -1.10 | -1.39 | 0.59 | 0.00 | -0.80 | -1.28 | 8 | 0.48 |
| Congregate Care | NASC 1992-A3 | A | Public | 6.68% | Dec-01 | 7.63 | +155/8 | +155/8 | 0 | 90-31 | -1.08 | -1.37 | 0.60 | 0.00 | -0.77 | -1.28 | 8 | 0.51 |
| Congregate Care | NASC 1993-A4 | BBB | Public | 6.68% | Dec-01 | 7.63 | +225/8 | +215/8 | -10 | 87-30 | -0.21 | -0.77 | 0.62 | 0.00 | -0.14 | -1.28 | 8 | 1.14 |
| Congregate Care | NASC 1993-A5 | BB | Private | 6.68% | Dec-01 | 7.63 | +410/8 | +410/8 | 0 | 78-30 | -0.30 | -1.18 | 0.69 | 0.00 | -0.49 | -1.28 | 8 | 0.79 |
| Congregate Care | NASC 1993-A6 | B | Private | 6.68% | Dec-01 | 7.63 | +620/8 | +620/8 | 0 | 70-15+ | -0.24 | -1.08 | 0.78 | 0.00 | -0.31 | -1.28 | 8 | 0.97 |
| Hotel | Cooper Hotel Mgmt-A | AA | Private | 7.50% | Jul-08 | 8.99 | +165/10 | +155/10 | -10 | 94-01 | -0.28 | -0.95 | 0.65 | 0.01 | -0.29 | -1.36 | 10 | 1.07 |
| Hotel | Cooper Hotel Mgmt-B | BBB | Private | 8.00% | Sep-09 | 14.80 | +265/15 | +255/15 | -10 | 87-30 | -1.00 | -1.14 | 0.74 | 0.00 | -0.40 | -1.43 | 15 | 1.03 |
| Retail/Hotel | NASC 1994-MD1 - A1A | AAA | Public | 7.38% | Mar-18 | 4.17 | +85/4 | +85/4 | 0 | 100-23 | -1.10 | -1.30 | 0.60 | 0.00 | -0.70 | -0.95 | 4 | 0.25 |
| Retail/Hotel | NASC 1994-MD1 - A2 | AA | Public | 7.68% | Mar-18 | 8.11 | +95/8 | +95/8 | 0 | 100-24 | -0.25 | -0.79 | 0.63 | 0.00 | -0.16 | -1.28 | 8 | 1.12 |
| Retail/Hotel | NASC 1994-MD1 - A3 | A | Public | 8.03% | Mar-18 | 9.91 | +125/10 | +125/10 | 0 | 100-23 | -1.14 | -1.43 | 0.65 | 0.00 | -0.78 | -1.36 | 10 | 0.58 |
| Retail/Hotel | NASC 1994-MD1 - B1 | BBB | Public | 8.43% | Mar-18 | 14.32 | +155/14 | +155/14 | 0 | 103-15+ | -1.24 | -1.67 | 0.66 | 0.00 | -1.01 | -1.42 | 14 | 0.41 |
| Retail/Hotel | NASC 1994-MD1 - B2 | BB | Private | 8.43% | Mar-18 | 17.02 | +400/17 | +400/17 | 0 | 84-29+ | -1.06 | -1.41 | 0.81 | 0.00 | -0.60 | -1.46 | 17 | 0.86 |
| Retail/Hotel | NASC 1994-MD1 - B3A | B | Private | 11.14% | Mar-18 | 19.40 | +700/19 | +700/19 | 0 | 86-15 | -0.27 | -0.99 | 1.05 | 0.00 | 0.06 | -1.49 | 19 | 1.56 |

MBS PERFORMANCE AND RELATIVE VALUE

TABLE 35
Benchmark US Treasuries
Total Return Analysis

| UST Benchmark | Yield 4/30/94 | Yield Change | HPR 3/94 - 4/94 | Projected 12-Month Roll Down Curve | Projected 12-Month HPRs | |
|------------------|---------------|--------------|-----------------|------------------------------------|-------------------------|------|
| | | | | | -100 | 100 |
| 2 | 5.74 | 0.55 | -0.58 | 0.70 | 6.86 | 5.92 |
| 3 | 6.08 | 0.47 | -0.74 | 0.35 | 8.06 | 6.32 |
| 4 (Interpolated) | 6.36 | 0.43 | -0.95 | 0.25 | 9.21 | 6.61 |
| 5 | 6.64 | 0.40 | -1.17 | 0.15 | 10.35 | 6.89 |
| 7 (Interpolated) | 6.71 | 0.25 | -0.98 | 0.09 | 11.56 | 6.82 |
| 10 | 7.05 | 0.27 | -1.36 | 0.00 | 13.37 | 6.71 |

TABLE 36
MBS Relative Value Analysis
Breakeven Yield Spreads to Benchmark Treasuries
12-Month Total Returns

| MBS Type | Security | 3/31 Price | 3/31 Spread | WAL | Bench. UST | Horizon Bench | Horizon Breakeven Spreads | | Horizon WALs | | Horizon Breakeven Prices | | Prepay Speeds (FSA) | | | |
|-----------------|--------------|------------|-------------|-----|------------|---------------|---------------------------|------|--------------|---------|--------------------------|-------|---------------------|------|-----|-----|
| | | | | | | | -100 | +100 | -100 | +100 | -100 | +100 | -100 | +100 | | |
| PAC -15 | FN 93-211 PB | 97-11 | 2.08 | 38 | 2 | 1 | 82 | 76 | 70 | 99-22 | 98-23 | 1.08 | 1.08 | 160 | 130 | 120 |
| Passthrough | Midget 9 | 104-26+ | 2.76 | 85 | 3 | 3 | 116 | 188 | 194 | 105-02 | 102-06+ | 2.12 | 2.56 | 450 | 325 | 190 |
| Passthrough | Dwarf 8.5 | 102-29 | 3.16 | 121 | 3 | 3 | 198 | 226 | 196 | 102-21+ | 100-06 | 2.41 | 3.01 | 450 | 325 | 195 |
| WL PAC | CW 93-11 A5 | 97-13 | 3.16 | 104 | 3 | 2 | 173 | 160 | 148 | 99-10+ | 97-20 | 2.16 | 2.16 | 375 | 250 | 200 |
| Passthrough | FNMA 9.5 | 105-26+ | 3.47 | 121 | 3 | 3 | 92 | 220 | 222 | 106-10 | 103-01+ | 2.20 | 3.45 | 600 | 400 | 195 |
| Passthrough | Balloon 7 | 99-28 | 3.94 | 63 | 4 | 4 | 75 | 90 | 82 | 101-28+ | 99-03 | 2.72 | 3.37 | 350 | 190 | 150 |
| Passthrough | GNMA 10 | 108-03+ | 4.05 | 105 | 4 | 4 | 4 | 174 | 214 | 110-17 | 105-26 | 2.68 | 4.02 | 500 | 340 | 210 |
| 15-yr PAC | FN 93-211 PD | 94-21 | 4.08 | 59 | 4 | 3 | 94 | 88 | 81 | 98-08 | 95-23+ | 3.08 | 3.08 | 160 | 130 | 120 |
| Passthrough | Midget 8 | 101-29+ | 4.23 | 81 | 5 | 4 | 96 | 150 | 173 | 105-00 | 100-17 | 3.56 | 3.93 | 240 | 190 | 135 |
| PAC -30 | FH 1652 PD | 95-12 | 4.24 | 69 | 4 | 3 | 110 | 101 | 92 | 98-23+ | 96-06+ | 3.24 | 3.24 | 210 | 150 | 135 |
| Passthrough | Dwarf 7.5 | 99-28+ | 4.68 | 87 | 5 | 5 | 77 | 123 | 126 | 102-29 | 98-21+ | 3.45 | 4.38 | 300 | 190 | 135 |
| Passthrough | GNMA 9 | 104-04 | 4.86 | 124 | 5 | 5 | 49 | 182 | 194 | 107-03+ | 102-01 | 2.98 | 4.80 | 450 | 275 | 190 |
| Passthrough | Balloon 6 | 95-23 | 4.97 | 41 | 5 | 4 | 77 | 77 | 75 | 99-13 | 95-28+ | 4.01 | 4.26 | 175 | 135 | 120 |
| Passthrough | Midget 7 | 97-27 | 5.52 | 86 | 7 | 7 | 110 | 114 | 107 | 100-23+ | 96-30 | 4.44 | 5.07 | 210 | 155 | 130 |
| WL PAC | CW 93-11 A7 | 93-19 | 5.61 | 105 | 5 | 4 | 154 | 146 | 137 | 97-12+ | 94-01 | 4.61 | 4.61 | 375 | 250 | 200 |
| 30-yr PAC | FH 1652 PG | 93-28 | 5.69 | 79 | 5 | 4 | 124 | 113 | 102 | 97-29 | 94-16+ | 4.69 | 4.69 | 210 | 150 | 135 |
| Passthrough | Dwarf 6.5 | 95-12+ | 5.78 | 87 | 7 | 7 | 78 | 110 | 137 | 99-30 | 94-26 | 4.83 | 5.26 | 175 | 140 | 125 |
| Passthrough | Dwarf 6 | 92-29 | 5.87 | 93 | 7 | 7 | 93 | 117 | 139 | 97-15 | 92-17 | 4.89 | 5.32 | 175 | 140 | 125 |
| X-PAC | FN 92-125 G | 96-12+ | 6.12 | 83 | 6 | 5 | 66 | 95 | 68 | 100-19 | 96-15+ | 2.10 | 5.12 | 350 | 175 | 145 |
| Passthrough | FNMA 8.5 | 101-29 | 6.26 | 135 | 7 | 7 | 111 | 181 | 198 | 105-24+ | 99-31 | 4.63 | 6.07 | 290 | 210 | 160 |
| Passthrough | GNMA 8 | 99-23+ | 7.15 | 141 | 7 | 7 | 116 | 178 | 177 | 103-22+ | 98-03+ | 4.18 | 6.95 | 325 | 175 | 130 |
| 15-yr PAC | FN 93-211 PG | 91-19 | 7.52 | 80 | 7 | 6 | 98 | 90 | 82 | 96-19 | 92-02+ | 6.52 | 6.52 | 160 | 130 | 120 |
| Passthrough | FNMA 7.5 | 97-13 | 7.58 | 135 | 7 | 7 | 144 | 166 | 167 | 101-10 | 96-02 | 5.47 | 7.29 | 250 | 175 | 150 |
| WL PAC | CW 93-11 A8 | 91-11 | 7.60 | 110 | 7 | 6 | 134 | 126 | 118 | 96-02 | 91-17+ | 6.60 | 6.60 | 375 | 250 | 200 |
| 30-yr PAC | FH 1652 PH | 93-11 | 7.69 | 85 | 7 | 6 | 105 | 97 | 88 | 98-06+ | 93-19 | 6.69 | 6.69 | 210 | 150 | 135 |
| Passthrough | FNMA 6.5 | 91-15+ | 8.40 | 110 | 10 | 10 | 109 | 145 | 177 | 96-31+ | 90-11+ | 6.99 | 7.91 | 190 | 160 | 145 |
| Passthrough | GNMA 7 | 93-29+ | 9.85 | 106 | 10 | 10 | 104 | 130 | 138 | 99-25 | 92-31 | 7.45 | 9.31 | 175 | 125 | 100 |
| X-PAC | FN 93-26 JA | 91-19 | 9.90 | 100 | 10 | 10 | 110 | 115 | 120 | 97-19+ | 91-07+ | 9.02 | 8.90 | 225 | 160 | 140 |
| 30-yr PAC | FH 1671 G | 90-20 | 10.83 | 83 | 10 | 10 | 97 | 95 | 92 | 96-24 | 90-14+ | 9.83 | 9.83 | 210 | 150 | 135 |
| 15-yr Companion | FN 93-211 B | 85-21 | 12.93 | 78 | 10 | 10 | 109 | 88 | 70 | 91-19 | 85-20+ | 11.17 | 11.93 | 160 | 130 | 120 |