

FactSet Global Filings offers full text, clause, and field searching on debt, equity, and warrant prospectuses, programs, pricing supplements, and M&A transactions. This tipsheet highlights various situations where you can use FactSet Global Filings search tools to solve your problems.

Case 1 – Structured Finance

It is 1988 and a Private Placement Group banker at a leading U.S. investment bank is originating and intermediating the first Dutch Guilder Private Placement for Ford Motor Company, placed with the three largest Dutch institutional investors. The deal is about to be done and will be exchanged into U.S. dollars.

The arbitrage works now, but might move against the deal at any moment so time is of the essence. The investors do not accept Ford's negative pledge clause because they maintain that it is not a standard negative pledge for an Arated credit in the automotive market. Worse, they claim this is not Ford's standard negative pledge. Ford disagrees.

Problem: The Private Placement banker is stuck because he needs to find convincing evidence to prove or disprove the Dutch investors' claim.

Solution: Use Global Filings' Clause Search to quickly list on one page the urgently needed evidence to convince either Ford or the Dutch investors about this negative pledge clause discussion.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Clause Heading: 'negative pledge'
- ✓ Industry: automotive
- ✓ Thesaurus: turned 'on': to find similar wording for the principle of negative pledge (e.g., 'limitation on liens', 'restrictive covenants', 'restriction on encumbrances')

Result: The deal was completed and the banker won respect and repeat business because of the value he added to the process.

Case 2 – Law Firm (1)

One of the largest international law firms is assisting an East European corporate with its first ever Eurobond issue. A question arises about whether it is wise to mention that the issuer is supported by state aid. The issuer is concerned that, rather than a strength, prospective investors may see receiving state aid as a weakness. The lawyer does not know if it is typical for state-supported companies to mention this in a prospectus.

Problem: The closing date of the deal is approaching and this issue needs to be settled quickly. The lawyer needs to investigate how many other prospectuses refer to state aid.

Solution: Use Global Filings' PowerSearch to determine how many other companies refer to state aid in their prospectus.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Country: Europe
- ✓ Type of Deal: bond
- ✓ PowerSearch: 'state aid'

Result: The lawyer was relieved to see that at least 24 other companies referred to state aid in their prospectus. He was also able to easily verify with the lead manager whether the markets discounted any of these credits because of the reference to state aid.

This information made it possible for the lawyer to go back to the corporate issuer with the best possible advice in a matter of hours on what otherwise would have been a speculative assumption.

Case 3 – Law Firm (2)

A partner at a leading international law firm calls the FactSet Global Filings’ Support Desk at 7:00 p.m. on Friday night to find examples of the prospectus paragraph, describing how interest is calculated on a short coupon for a fungible bond issue for a Latin American issuer. He does not know how to go about this efficiently and fears he may have to bring in a team of associates to search through many prospectuses over the weekend.

Problem: The partner does not want to spend hours searching for the answer he promised to his Latin American client. This would be both costly and time consuming.

Solution: Use Global Filings’ automatic thesaurus to quickly find relevant deals. In this case, the term ‘fungible’ is linked to the term ‘broken interest’ and the Support Desk was able to find three relevant deals in minutes.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Type of Deal: bond
- ✓ Country: ‘South America’
- ✓ Thesaurus: on
- ✓ PowerSearch: fungible

Result: The partner was able to go home reassured he had a relevant answer within the cost constraint of his client.

Case 4 – Asset-Backed Investor

A first-time asset-backed securities investor wants to get some experience with this asset-class and has the following criterion:

- The investor only wants to consider asset-backed deals that offer a withholding tax gross-up.
- The investment committee has recently decided to cut down its exposure on food and drinks companies and therefore does not want to be involved in an asset-backed deal with exposure to this sector (e.g., pubs).
- The investor admits that they do not understand CDOs and therefore only want to focus on asset-backed deals with a pool of assets that do not contain securities.

Problem: The investor does not know how to efficiently find all the asset-backed deals that meet the above criterion.

Solution: Use Global Filings’ PowerSearch to exclude pub securitisation deals because we know the exposure to the food and drinks industry is concentrated there.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Type of Deal: ‘asset-backed’; ‘-public houses’; ‘-collateralised’
- ✓ Tax Gross-up: yes
- ✓ Clause Heading: withholding
- ✓ PowerSearch: ‘will pay additional amounts’

Result: The investor had in hand the universe of asset-backed securities to focus on within minutes. The search results displayed the gross-up clause of all these deals laid out on one page for easy comparison of each clause.

Case 5 – CDO Investor

A large hedge fund approaches Global Filings via a U.S. investment bank. The hedge fund is eager to reduce its exposure to bonds issued by Enron, WorldCom, Tyco, HealthSouth, and Ahold that might be hidden away in their static CDO portfolio.

Problem: The investor does not know how to efficiently find which CDOs are exposed to these credits.

Solution: Use Boolean logic in Global Filings' PowerSearch combined with the criteria in the Type of Deal field to identify a list of 34 static CDOs with exposure to one or more of these distressed credits within seconds.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Type of Deal: CDO;CLO;CBO;CFO
- ✓ PowerSearch: (enron;worldcom;tyco;healthsouth;ahold);+static

Result: The investment bank impressed the hedge fund with a quick and comprehensive response which the hedge fund admitted would otherwise have taken them at least 5 days to answer.

Case 6 – Convertible Bond Investor

An aggressive salesperson at an investment bank offers a convertible bond fund two different convertible deals issued by XL at very different prices. The banker cannot explain the price difference very well and tells the fund manager:

"I do not quite understand the price difference myself. Another investor I talked to this morning mentioned I had to read the initial conversion rate clauses of these deals, but I do not have a prospectus as these deals are quite old."

Problem: The fund manager is tempted by the low price and wants to make sure he understands the difference, if any, between the initial conversion rate clauses.

Solution: Use Global Filings' PowerSearch to research the conversion rate clauses.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Issuer Name: xl*
- ✓ Type of Deal: 'convertible into equity';'exchangeable into equity'
- ✓ PowerSearch: 'initial conversion rate'

Result: The fund manager verified the initial conversion rate clause and knew he was buying a bargain.

Case 7 – Credit Derivatives Trader

A trader at a major U.S. credit derivatives firm is offered a credit default swap on Railtrack. The trader does not know if Railtrack PLC or Railtrack Group PLC is the operating company owning the valuable assets, therefore he is unsure what the correct reference entity should be.

Problem: The price offered is very competitive and the opportunity won't last long, therefore, the trader needs to determine the correct answer quickly.

Solution: Use Global Filings' PowerSearch to determine the correct reference entity.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Issuer Name: **railtrack***
- ✓ Type of Deal: bond
- ✓ PowerSearch: railtrack NEAR5 owns

Result: The credit trader was comfortable that he was executing the trade on the right reference entity and locked in a profitable deal.

Case 8 – Debt Transaction Management

A Debt Transaction Management banker is putting a deal together for a packaging company. He needs more information in order to complete the deal.

Problem: The banker wants to know if any bond deals have been issued for other packaging companies since the beginning of 2002 in which the coupon is increased given that the company's debt is downgraded by a major rating agency.

Solution: Use Global Filings' PowerSearch to research other bond deals in the packaging industry.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Industry: packaging
- ✓ Issue Date: after 1-Jan-2002
- ✓ Type of Deal: bond
- ✓ PowerSearch: step NEAR5 up

Result: Due to her thorough precedent checking, the banker was able to negotiate favourable covenants from the packaging company which helped the smooth distribution of the bonds. She was able to quickly gather this information which otherwise would have taken hours of research through internal records.

Case 9 – Debt Origination

A Debt Origination banker unexpectedly has to jump on a plane to pitch a new bond issue to a major overseas utility so they can build a power station. The banker has no time to do any research on the company or industry.

Problem: The banker wants to quickly find out every bond issued in the last five years for which the proceeds were used to build a power station.

Solution: Use Global Filings' PowerSearch to identify similar deals.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Clause Heading: 'use of proceeds'
- ✓ Industry: utility;energy;'oil and gas'
- ✓ Type of Deal: bond
- ✓ PowerSearch: 'power plant';'power station'

Result: The banker delivered a convincing pitch demonstrating his knowledge of the industry and a detailed understanding of the different financial covenants used in power station deals.

Case 10 – Bond Sales

A bond salesman at a major European bank is researching a list of appropriate bonds for a buy-side client to invest in. The client is interested in Capital Protected bonds linked to an equity index.

Problem: The salesman needs to act quickly before the client takes his business elsewhere; he needs to compile a well researched list of possible bonds to present to the client.

Solution: Use Global Filings' PowerSearch to compile a list of bonds.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Clause Heading: 'front page'
- ✓ Type of Deal: (bond;+index);-commodity;-inflation;-interest;-currency
- ✓ PowerSearch: 'capital protected'

Result: The salesman presented a list of relevant bonds to the client before anyone else and won the trade.

Case 11 – Law Firm (3)

A capital markets law firm partner wants to find out in how many cases Arthur Andersen has alerted bonds investors of the risk that the issuer’s auditors may change.

Problem: The lawyer needs to make a decision about whether or not to litigate; therefore, he needs to find out more information about the situation.

Solution: Use Global Filings’ PowerSearch to find the information about Arthur Anderson.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Clause Heading: ‘Risk Factors’
- ✓ PowerSearch: ‘Arthur Andersen’

Result: The lawyer concluded that sufficient warnings had been given which resulted in an amicable settlement.

Case 12 – Broker

A Director at a brokerage firm is anxious about finding the risks of Split Capital Trusts. He is concerned that his firm might be challenged for not having fully explained the risks in the Aberdeen Asset Management funds, particularly in relation to systemic risk.

Problem: The broker expects a visit by the regulator; therefore, he wants to form an opinion on how usual or unusual the risk profile chapter is in Aberdeen Asset Management’s fund prospectuses.

Solution: Use Global Filings’ PowerSearch to research the risks.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ PowerSearch: ‘split capital trust’;+‘systemic risk’

Result: The broker was able to demonstrate to the regulators that the language in the Aberdeen Asset Management fund prospectuses was better than most fund prospectuses.

Case 13 – Trade Association

The European trade association of lead-managing investment banks is pressured by the IMF to stop favouring international over domestic investors in the collective action clauses of sovereign emerging markets bonds. The argument is about the quorum and majority voting percentages in the collective action clause of these bonds.

Problem: The Secretary General of the trade association needs to know the difference in quorum and majority percentages for more than 300 sovereign bonds in 48 hours for a speech to the IMF. He needs to gather the prospectuses quickly and analyse this information efficiently without spending a lot of money.

Solution: Use Global Filings' PowerSearch to quickly find the information you need and format the information in a tabular report so that it can be analysed efficiently.

Search Criteria:

- ✓ Product: Prospectus+
- ✓ Clause Heading: 'bondholders meeting';modification;waiver
- ✓ PowerSearch: quorum

Result: The Secretary General was able to deliver a well-researched speech with a better depth of information than his audience. His arguments achieved the desired impact.

Case 14 – M&A

A banker wants to compare the Pro Forma Combined Financial Statements of a merged entity in a M&A deal that uses "pooling of interests" as the accounting method for the merger.

Problem: The banker wants to quickly find out which M&A deals used "pooling" and create a single report containing examples to study the information further.

Solution: Use Global Filings' M&A document database to find deals quickly.

Search Criteria:

- ✓ Product: M&A+
- ✓ Clause Heading: forma
- ✓ PowerSearch: pooling
- ✓ Accounting Method: 'pooling of interests'

Result: The banker saved time because he was able to see an overview of some recent pooling deals and was able to draw the relevant paragraphs and tables from these documents to compare quickly.

Case 15 – League Tables

A banker wants to know what type of institutions are the largest CDO originators in 2003. This should help him to identify good targets for new CDO deals in Australasia.

Problem: It is often not apparent from the prospectus who has originated a CDO. After gathering all the CDO prospectuses, it will take an associate member of the banker's team at least a week to go through them all.

Solution: Use Global Filings' League Table product to find the information quickly.

Search Criteria:

- ✓ Product: League Tables
- ✓ Company Type: Originator
- ✓ Date Range: 1 Jan 2003 to date
- ✓ Type of Deal: CDO, CBO, CLO, CFO
- ✓ Ranking by: deals

Result: The banker had a complete overview of the types of institutions that originate CDOs and was able to plan his Australasian marketing campaign effectively and efficiently.