

# Services: Independent Interest Rate Hedging Advisory.



## Assisting tribal bank borrowers to manage interest rate risk.

*Collaborating with tribal leadership, financial managers & legal counsel.*

*Providing interest rate hedging & swap advisory services to tribal governments, enterprises, nonprofits and institutions.*

### Hedging Advisory Services

- Interest rate hedging strategy development
- Structuring & execution of derivatives:
  - Interest rate swaps (fixed vs. floating)
  - Interest rate caps & floors
  - Collars and structured hedging solutions
- Hedge optimization across multiple financings
- Independent pricing, valuation & execution advisory
- Debt portfolio hedging & liability management

### Hedging Benefits

- Stabilize interest payments over desired term
- Enhance predictability of cash flow for budgeting
- Stabilize cash distributions to the tribe
- Support budget stability for healthcare, education, economic development and infrastructure programs
- Emphasis on client education to empower client team in negotiations

### Use Cases

- Tribal governments & enterprises
  - Gaming and hospitality/resorts
  - Healthcare facilities
  - Real estate & infrastructure projects
  - Energy & project finance
  - Non-profit organizations
  - Educational institutions
- Commodity producing tribes (i.e. oil & gas hedging)

### Independent Advice

- Independent of lending banks (no conflicts of interest)
- Objective hedge structuring aligned w/borrower goals
- Coordinated w/financing team, legal & counterparties
- Negotiation of hedge pricing & terms
- Conforming hedge agreement & debt terms
- Ongoing hedge monitoring, reporting & restructuring
- ISDA (hedge agreement) negotiation & support

*Independent hedging advisory services are provided through a majority Native-owned joint venture between Tallsalt Advisors, a leading Native-owned investment advisory and finance firm serving Native America, and Derivative Logic, the premier national interest rate risk management advisory firm.*