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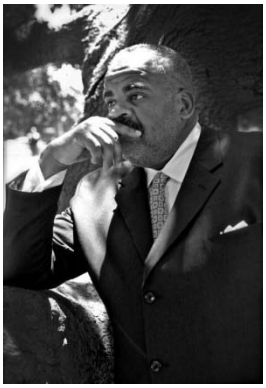
For Immediate Release

Kamakura Releases 10 Year Monthly Forecast of U.S. Treasury Yields and Swap Spreads for August, 2010

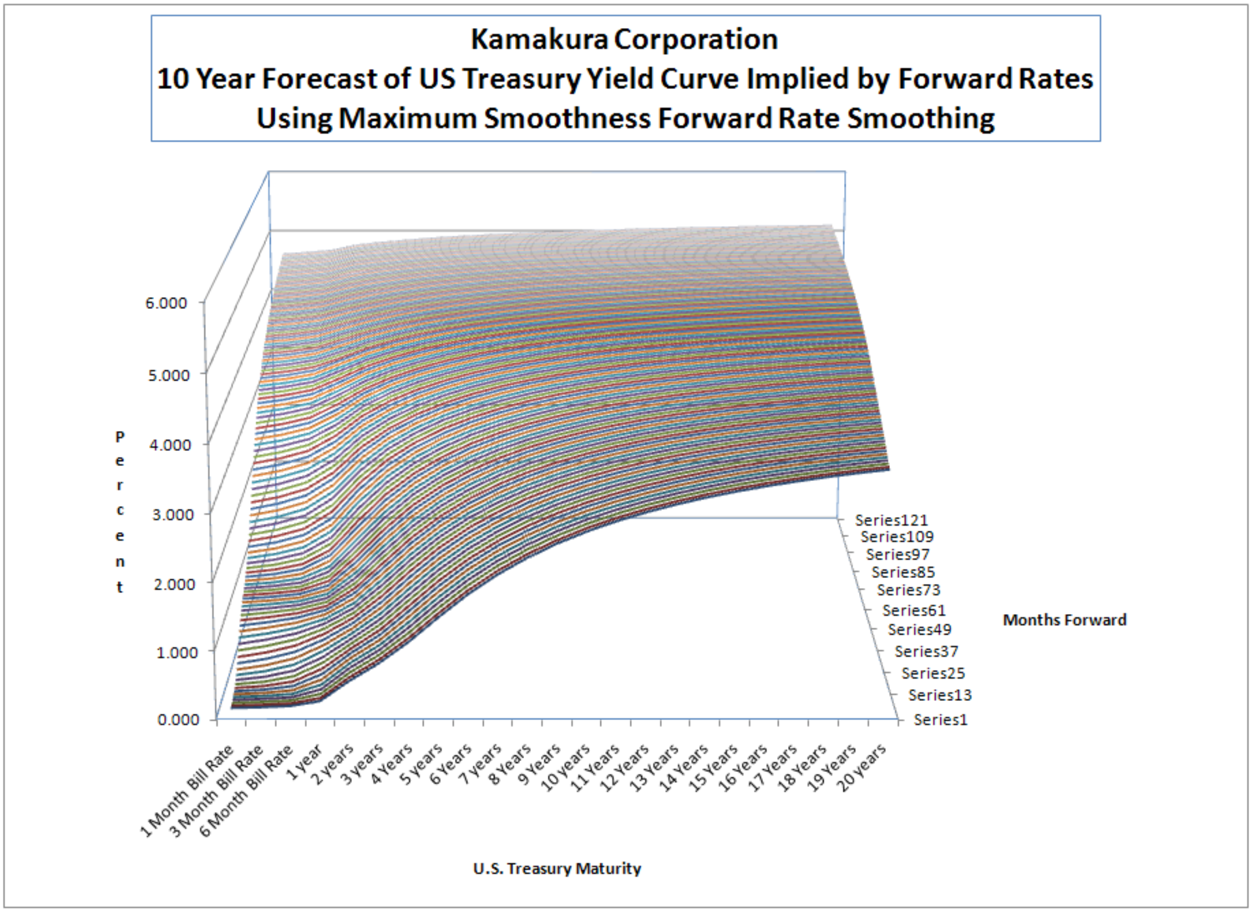
NEW YORK, August 16, 2010: Kamakura Corporation on Monday announced its forecast for U.S. Treasury yields and interest rate swap spreads monthly for the next 10 years. The forecast shows relatively little change compared to the July forecast in spite of the dramatic actions of the Federal Reserve last week.

The Kamakura forecast for August shows 1 month Treasury bill rates rising steadily to 4.603% in July, 2020, up 7 basis points from last month. The 10 year U.S. Treasury yield is projected to rise steadily to 4.994% on July 31, 2020, 3 basis points higher than forecasted last month. The negative 39 basis point spread between 30 year U.S. dollar interest rate swaps and U.S. Treasury yields reflects the blurring of credit quality between these two yield curves. The U.S. government is no longer seen as risk free, and 4 of the 16 panel banks that determine U.S. dollar libor are receiving significant government assistance and are, in effect, sovereign credits. For more on the panel members, see www.bbalibor.com. The negative 30 year spread results in an implied negative spread between 1 month libor and 1 month U.S. Treasury yields (investment basis) beginning in December 2014 and persisting through the rest of the ten year forecast.

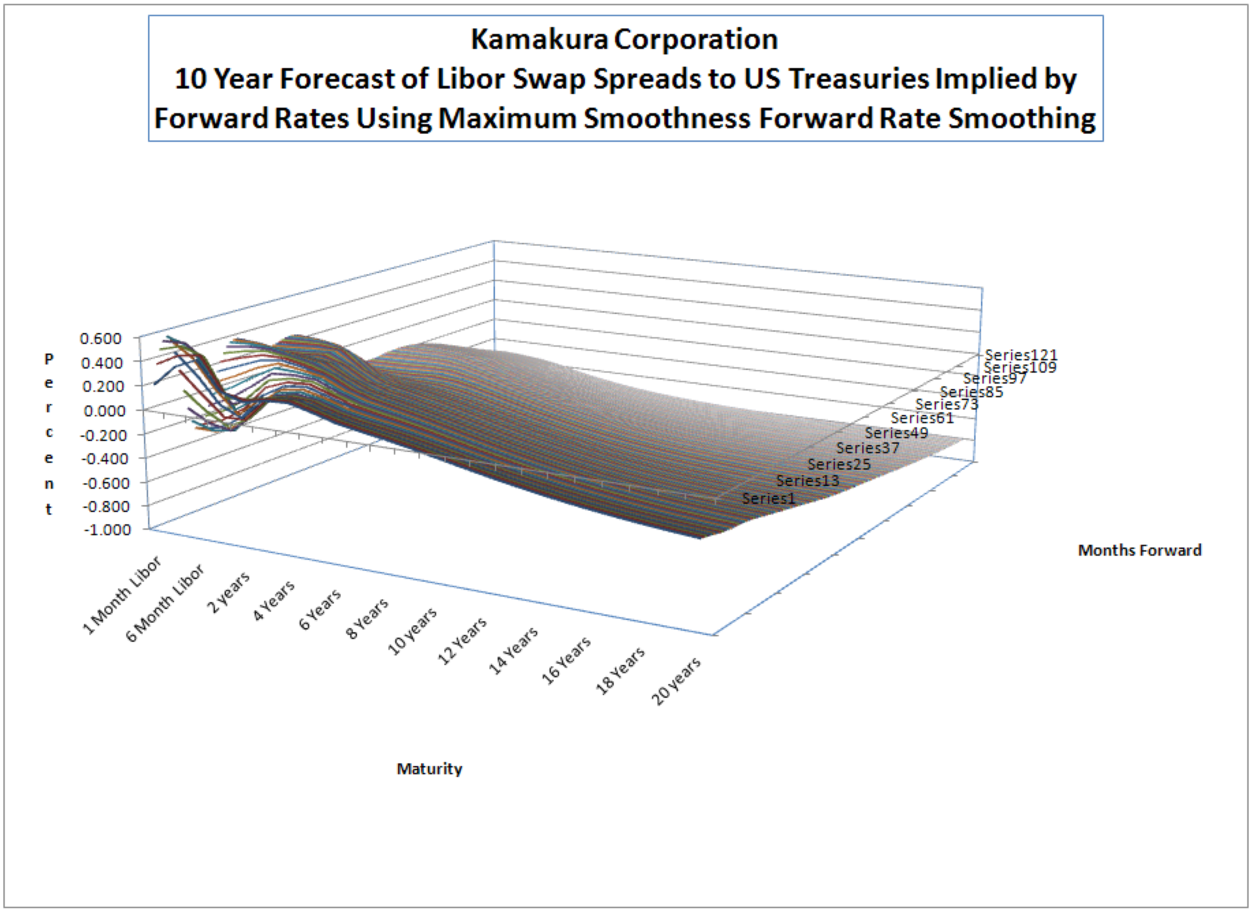


Kamakura Washington DC Representative David Boldon said Monday, “In spite of the unprecedented actions by the Federal Reserve last week, the net change in rates forecasted this month have changed only modestly since last month’s forecast. We continue to believe that market participants with the most complete understanding of the negative swap spreads implied by today’s yield curve will achieve superior investment performance over their peers.”

The projected flattening in the U.S. Treasury yield curve projected in the Kamakura rate forecast is shown here:



The negative spreads between interest rate swaps and US Treasuries, 2 basis points at 10 years and 39 basis points at 30 years, imply an extended period of negative spreads between the libor-swap curve and Treasuries, as shown in this graph:



The full text of the Kamakura forecast for U.S. Treasury yields and interest rate swap spreads is available each Friday afternoon on the Kamakura blog at this link:

http://www.kamakuraco.com/Company/ExecutiveProfiles/DonaldRvanDeventerPhD/KamakuraBlog/tabid/231/Default.aspx

The Kamakura interest rate forecasts are based on the forward interest rates embedded in the current U.S. Treasury yield curve and interest rate swap curve. These forward rates are extracted using the maximum smoothness forward rate approach first published by Kamakura's Donald R. van Deventer and Kenneth Adams in 1994 and modified in *Financial Risk Analytics* (1996) by Kamakura's Imai and van Deventer. The maximum smoothness approach is applied directly to forward rates in the case of U.S. Treasury yields and it is applied to forward credit spreads, relative to the U.S. Treasury curve, in the case of the swap curve.

Kamakura's rate forecast is available in electronic form, both in Kamakura Risk Manager table format and other forms, by subscription. For more information contact Kamakura at info@kamakuraco.com.

About Kamakura Corporation

Founded in 1990, Honolulu-based Kamakura Corporation is a leading provider of risk management information, processing and software. Kamakura, along with its distributor Fiserv, was ranked number one in asset and liability management analysis and liquidity risk analysis in the RISK Technology Rankings in 2009. Kamakura Risk Manager, first sold commercially in 1993 and now in version 7.1.2, was also named in the top five for market risk assessment, Basel II capital calculations, and for "risk dashboard." Kamakura was also ranked in the RISK Technology Rankings 2008 as one of the world's top 3 risk information providers for its KRIS default probability service. The KRIS public firm default service covering 29,400 public firms was launched in 2002, and the KRIS sovereign default service, the world's first, was launched in 2008. KRIS default probabilities are displayed for 2,000 corporates and sovereigns via the Reuters 3000 Xtra service. Kamakura has served more than 200 clients ranging in size from $3 billion in assets to $1.6 trillion in assets. Kamakura's risk management products are currently used in 33 countries, including the United States, Canada, Germany, the Netherlands, France, Austria, Switzerland, the United Kingdom, Russia, the Ukraine, Eastern Europe, the Middle East, Africa, South America, Australia, Japan, China, Korea and many other countries in Asia.

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