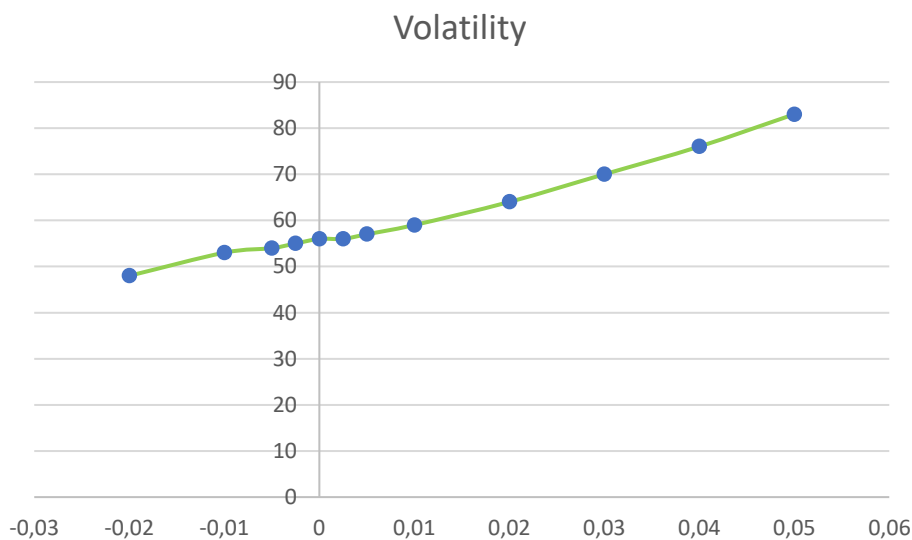


Valuation of cash settled IRR swaptions

In recent years market participants have started using new models to value cash settled internal rate return (IRR) swaptions. Before these swaptions were valued with a similar model as the physical settled swaptions, which would lead to non arbitrage free prices.

This can lead to valuation disputes between market participants that are using the above approach and market participants using a new model.

Optimum Prime can help by implementing a new model based on the terminal swap rate model. This model will more closely align the valuations with the counterparty.



Optimum Prime's proposition:

- Custom model implementations
- Software IP owned by the client
- Client in full control of change calendar