



Taming financial product diversity

COMPANY OVERVIEW

LexiFi: an innovative provider of software solutions and infrastructure technology for the capital markets industry

Founded in 2000, LexiFi provides software for the pricing and management of derivatives and structured products. Financial institutions across Europe and technology firms partner with LexiFi to boost their analytical and processing capabilities for tailored financial products.

The opportunity

Investment banks, asset managers and private banks often compete on their ability to provide tailored financial solutions. The delivery of custom investment, financing and risk transfer solutions compels providers to:

- rapidly design new financial products;
- clearly communicate the terms and conditions, risks, and rewards of proposed transactions to prospective clients;
- manage potentially large portfolios of extremely diverse, and sometimes complex, financial products; and
- provide accurate and timely performance reports.

These challenges create an opportunity for an open technology platform that can support the rapid deployment of functionality for the management of tailored financial products. To address fully the requirements of market participants, LexiFi believes that this technology platform must:

- provide a rigorous financial contract representation standard that supports all key business processes;
- support evolving, proprietary approaches to pricing financial products and quantifying the associated risks;
- accelerate the delivery of new applications while preserving an integrated transaction processing and decision support environment.

The LexiFi solution

LexiFi has developed LexiFi Apropos, a software platform for the pricing and management of derivatives and structured products. Designed to serve as a system of record for non-standard transactions, LexiFi Apropos brings together all data and services required to develop, market and manage tailored financial solutions. The system supports key business processes, including: structuring, sales, client care, trading, portfolio management, risk management and operations.

LexiFi Apropos addresses the needs of providers, distributors and users of custom derivatives who wish to gain agility and scalability. The system provides an authoritative source of data and shared analytical and processing services to help users to streamline their business.

LexiFi Apropos: pre-trade, trade and post-trade management of derivatives and structured products

BUSINESS PROCESSES

- Structuring, sales and client care
- Trading
- Portfolio and risk management
- Operations

UNDERLYING ASSETS

- Equities
- Foreign exchange
- Commodities
- Interest Rates
- Inflation
- Credit
- Hybrids

PRODUCT STRUCTURES

Out-of-the box support for hundreds of product structures (bond, option or swap) based on any type and combination of underlying assets.

AUTHORITATIVE SOURCE OF DATA

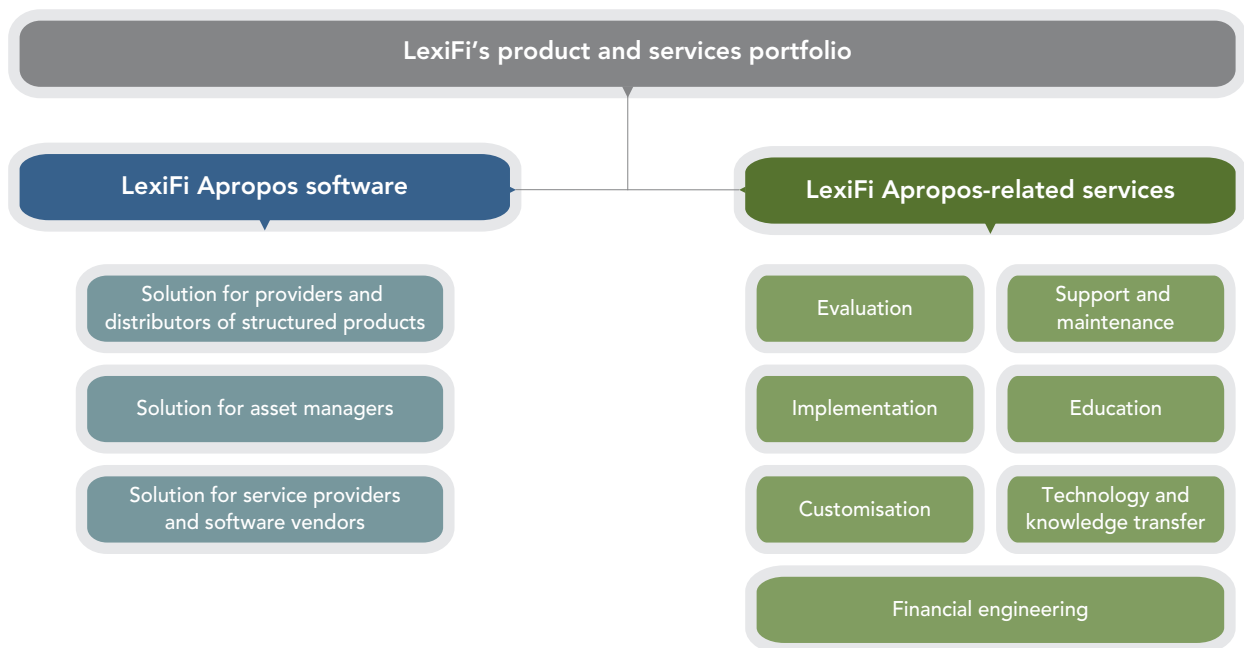
- Product definitions
- Orders and trades
- Market data
- Valuation and analytical results

PRICING AND PROCESSING SERVICES

- Product definition and trade capture
- Structuring
- Pricing
- Term sheets
- Custom proposal, price request, order and trade workflows
- Product, trade and portfolio metrics (cash flows, valuation, profit and loss, scenario analysis, etc.)
- Performance reporting
- Client positions
- Event management
- Monitoring of barriers
- Alerts and notifications

INFRASTRUCTURE

- Uniform description of financial products
- Central database
- State-of-the-art pricing models
- Open pricing framework
- Deployment options for every need (integrated application, server or embedded components)
- Integration APIs
- Extension tools



Markets

LexiFi offers pre-configured, yet flexible versions of LexiFi Apropos to meet the individual needs of:

- **Providers and distributors of structured products** – LexiFi enables: (i) *investment banks* to gain agility and scalability and to establish a preferred link with structured product distributors; (ii) *private banks* and other intermediaries to better advise clients, improve after-sale service and streamline operations; and (iii) *treasury departments* to control the issuance of structured notes and the ongoing valuation of related swaps.
- **Asset managers** – LexiFi offers out-of-the-box capabilities for implementing a central utility for the valuation and management of derivatives and structured products.
- **Service providers and software vendors** – LexiFi gives a new life to existing applications by enabling full coverage of derivatives and structured products.

Services

Since it was founded, LexiFi has been focusing on a single offering. With the insights and experience gained from developing, implementing and maintaining LexiFi Apropos, LexiFi delivers customised services to enable clients to achieve their goals.

LexiFi assists clients and offers peace of mind in all phases of their software acquisition with the following services: evaluation, implementation, customisation, financial engineering, support and maintenance, education, technology and knowledge transfer.

LexiFi's tailor-made services ensure that LexiFi Apropos holds true to its name: LexiFi's experienced consultants provide the comfort of timely software implementations and upgrades that deliver relevant capabilities—which, in turn, enable users to deliver timely and relevant derivative-based solutions.

Innovation

LexiFi has developed disruptive technologies that radically simplify the development of applications for managing tailored financial products.

LexiFi Apropos is powered by an original formalism for describing financial contracts, the result of a long-term research and development effort that received both industry and academic awards. Unlike other financial contract modelling approaches, LexiFi's formal language supports both pricing and operational management. An open pricing framework supports a multitude of integration scenarios with existing calculation platforms and valuation algorithms, including LexiFi's state-of-the-art pricing models. A robust operational management framework automates the detection and processing of contract events, from inception to maturity. With LexiFi's uniform, platform-independent contract representation, the capital markets industry is in a better position to manage the diversity of financial products.

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