

## LEXIFI APROPOS

### USE ONE SYSTEM TO DEVELOP, MARKET AND MANAGE TAILORED FINANCIAL PRODUCTS

LexiFi Apropos is 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.

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 key business processes:

- **Structuring** – Design distinctive investment, financing and risk transfer solutions with analytical tools that enable users to quickly define new structures, without writing any code, and to quantify precisely their risks and rewards.
- **Sales and client care** – Automate the design and offer cycle that leads to a sale, administrative tasks that follow a sale and secondary market advice. The system automatically generates dynamic term sheets, produces high-quality performance reports, creates alerts and notifications upon the occurrence of salient events and calculates client positions. Providers may create custom transactional workflows to establish a preferred link with distributors and end-users.
- **Trading** – Accurately record the terms and conditions of tailored products in trading-quality entry screens and calculate prices with

proven implementations of state-of-the-art valuation models developed by LexiFi or with in-house models.

- **Portfolio and risk management**
  - Control cash flows, valuations, profit and loss, and risks at any level of detail, thanks to combined pricing and event management capabilities, centralised access to market data, specialised displays and reports, and a powerful scenario analysis framework.
- **Operations** – Automate post-trade processes: the system detects and handles product life cycle events, including equity corporate actions, updates product definitions in response to such events, monitors barriers, facilitates the audit of realised cash flows, and calculates cash and security positions.

#### Develop, market and trade tailored products

##### Trade capture

Accurately record the terms and conditions of candidate transactions in graphical input screens laid out like term sheets. Users do not need to learn a script language: the most complex input is a formula. Users may also choose to import product data from a Microsoft Excel file.

##### Comprehensive instrument coverage

LexiFi Apropos supports hundreds of structures out-of-the box, based on any type and combination of underlying assets. Users rapidly define new structures and benefit immediately from LexiFi Apropos' analytical and processing capabilities.



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ap • ro • pos adj : being both relevant and opportune

Source: Merriam-Webster's Collegiate® Dictionary

### Structuring

Quantify precisely the risks and rewards of both new and existing products with a collection of analytics:

- **Contract variations** – Calculate the impact on price of changes in product parameters.
- **Solver** – Calculate product parameters to match a user-entered price.
- **Market data sensitivity** – Calculate the impact on price of instantaneous changes in market data.
- **Monte Carlo simulation** – Explore the details of a Monte Carlo pricing result.
- **Greeks.**
- **Historical simulation** – Quantify the performance of a product as if it had been acquired in the past.
- **Forward-looking simulation** – Analyse the behaviour and value of a product along future market scenarios.
- **Historical value at risk.**

### Pricing

Use LexiFi's state-of-the-art pricing models or in-house models, and relevant market data to value tailored products. Key features include:

- **Underlyings** – Price equity, foreign exchange, commodity, interest rate, inflation, credit and hybrid derivatives.
- **Market data** – Access market data snapshots, historical time series and derived data such as yield curves and volatility surfaces from a central location to ensure consistent valuations and analyses across products and portfolios.

- **Calibration** – Transform observable market data into relevant model inputs with robust calibration algorithms.
- **Multiple curves** – Price with multiple yield curves to reflect the different credit and liquidity risk of Libor rates with different tenors and overnight discounting of cash flows.
- **Issuer credit spreads** – Discount cash flows with risky curves that reflect the credit risk of issuers.
- **Commercial margin** – Include a commercial margin, amortised over time, in calculated prices.

### Term sheets

Create indicative and definitive term sheets in the format and language of your choice. LexiFi Apropos simplifies the design and automates the production of high-quality, dynamic documents.

### Central product database

Centralise terms and conditions, auxiliary data, documents, contract-specific pricing environments and pricing results for complex products.

### Custom transactional workflows

Use a secure, uninterrupted process to:

- automate the communication of price requests to in-house trading desks and external providers;
- interact with distributors and clients to exchange proposals, request for quotes, quotes and orders.

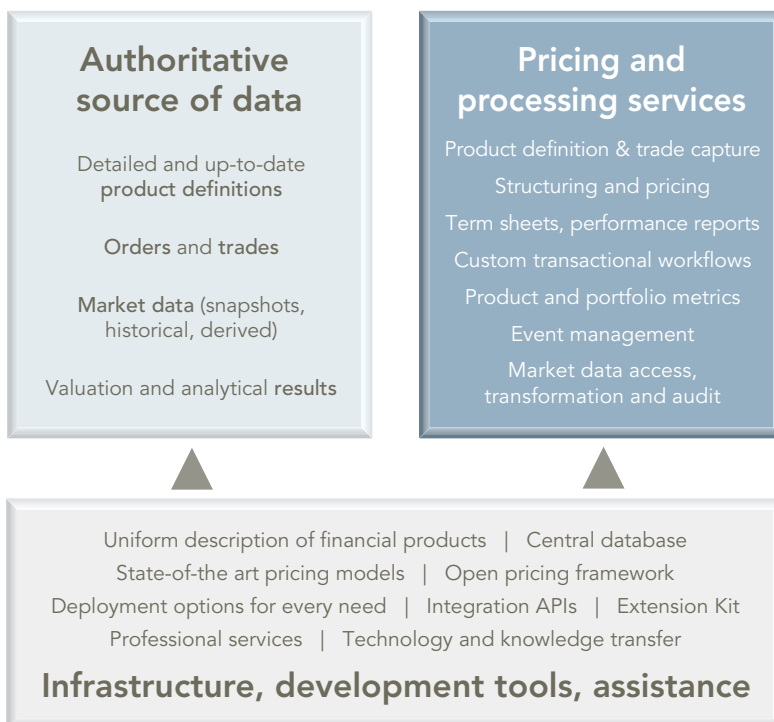
### Performance reporting

Measure the realised performance of existing products and provide qualitative and quantitative explanations. Performance metrics are presented in interactive screens and in high-quality performance reports.

### Manage portfolios and risks

Calculate cash flows and positions, estimate portfolio values and risks, and present the information with a collection of specialised displays and reports:

- **Cash and security positions** – Calculate past and future cash flows, cash balances and security positions.
- **Valuation** – Attach one or more pricing environment(s) to each contract in order to automate the ongoing valuation of portfolios. Users may store valuation results—calculated by the system and/or imported from an external source—and associated market data inputs.
- **Profit and loss** – Profit and loss reports retrieve product values on a start date and an end date, record intermediate cash flows, and optionally apply overnight funding rates to daily cash balances.
- **Scenario analysis** – Use a powerful framework for designing, managing and running historical, forward-looking and stress scenarios on a portfolio.
- **Filtering and grouping** – Each trade is assigned to a portfolio and may be associated with an arbitrary number of attributes. Portfolio analytics include configurable queries and drill-down capabilities to monitor relevant metrics at all levels.



- **Batch processing** – The tasks that need to be processed to produce portfolio analytics may be launched and run to completion without any user interaction.

### Automate post-trade processes

Automate the processing of trades and the life cycle management of tailored products.

### Custom post-trade workflows

Implement workflows to: control product data and term sheets; process trades; synchronise relevant data with in-house systems; and interact with other stakeholders upon consummating a trade.

### Event management

Detect and process life cycle events such as payments, fixings, option expiries, barrier crossings and equity corporate actions. Product definitions adapt automatically in response to such events.

### Monitoring of barriers

Products with embedded conditions, such as continuous barriers, require special monitoring capabilities. LexiFi Apropos measures the proximity of the event, generates alerts, diagnoses when a condition is met, records detailed information on the circumstances surrounding the event and details its consequences.

## Integrate and customise

Implement tailored software solutions by accessing an original combination of techniques, tools and skills.

### Deployment options for every need

LexiFi Apropos may be deployed as: an integrated application that implements end-to-end business processes; a server acting as a shared utility in support of business processes managed by one or more other applications; or an embedded component that enhances the functional coverage of an in-house or third-party application.

### Integration and customisation

LexiFi provides tools and services to meet distinct client requirements, including: integration APIs; an Extension Kit for adding financial instruments, pricing models, product and portfolio analytics, and processing capabilities independently from LexiFi; a professional services offering that covers all phases of a software acquisition project, from evaluation to ongoing system operation; and a complete technology and knowledge transfer program.

## Find out more

For more information about LexiFi Apropos, please visit [www.lexifi.com/product](http://www.lexifi.com/product).

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## Summary

LexiFi Apropos is 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.

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## Business challenges

- Rationalise the management of non-standard products.
- Offer financial solutions adapted to each customer and market environment.
- Handle the diversity inherent in tailored products.
- Control positions, valuations and risks.

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## Key features

- **Comprehensive instrument coverage** – Start working immediately with out-of-the-box analytical and management support for hundreds of structures.
- **Structuring** – Quickly define new structures and quantify their risks and rewards.
- **Pricing** – Use state-of-the-art pricing models and relevant market data to value complex products.
- **Product database** – Create a central database of non-standard products.
- **Customer documents** – Automate the production of high-quality, dynamic terms sheets and performance reports.
- **Control of positions, valuations and risks** – Calculate positions, estimate portfolio values and risks, and present the information with specialised displays and reports.
- **Product maintenance** – Monitor barriers and process life cycle events.
- **Custom workflows** – Implement custom workflows to automate pre- and post-trade business processes, including interactions with providers and clients.
- **Multiple deployment options, customisation tools and services** – Implement tailored software solutions by accessing relevant techniques, tools and skills.

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## Business benefits

- **Deliver timely and relevant financial solutions.**
- **Enhance customer service** before and after the sale.
- **Reduce operational risks and costs** with a single system covering the development, marketing and management of tailored financial products.
- **Establish a preferred link** with distributors and end-users.
- **Gain agility and scalability** in tailored derivatives.

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## For more information

Visit us online at [www.lexifi.com/product](http://www.lexifi.com/product).

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