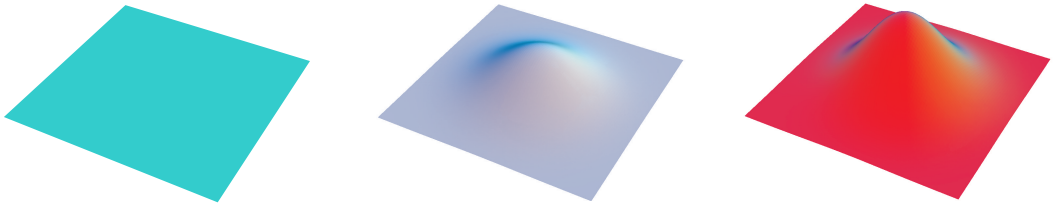
HEDGE

EXPOSE



DERIVATIVES EXPERT™ III

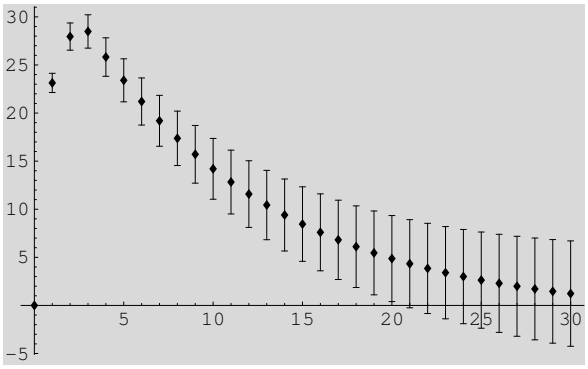
New Version!

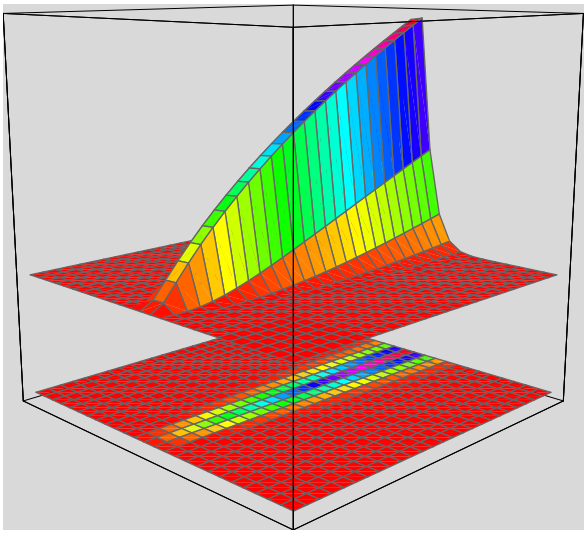
Delivers Fast Monte Carlo Functionality and Full SQL Database Integration

- Derivatives Expert III for Mathematica is a complete, multi-platform, fully integrated suite of functions for doing simple to complex financial analysis and engineering with respect to most exchange and Over-The-Counter (OTC) traded securities and derivatives. Now Derivatives Expert can fit directly with large, high-performance network systems such as webMathematica, IBM WebSphere and Oracle Application Server.

- The focus in Derivatives Expert is not on single financial products but on the construction of a framework that can contain all financial instruments in a unified way. The end result is that it is very easy for users to expand the system with new functionality and support of new financial instruments, even very complex ones such as a Power Reverse Dual Currency Bermuda Swap, for example.

- The latest version of Derivatives Expert provides 500 symbols, functions, arguments, optionals, has been fully updated to Mathematica 4.2, and now includes many functions for pricing exotic derivatives, doing Monte Carlo simulations, integrating with SQL-databases such as Oracle and to output XML. Large and specialized packages are also included for Bonds, Mortgage Backed Obligations, Floaters, Forwards, Swaps, Options and Exotics. To insure that users are supported from the very beginning, Derivatives Expert includes extensive 800-page online documentation with background material, exact function descriptions & definitions, user's guide, reference manual, and detailed programming examples.





New Version! DERIVATIVES EXPERT™ III

Key New Features

All financial instrument pricing functions that are based on discounting of a cash flow can now be priced using "infinite" precision numbers or faster (compiled) machine precision numbers

Most functions that take optional values are now faster

New and fast Monte Carlo functionality for simulation of prices and price paths having equidistant or non-equidistant times of trading along the price paths.

New pricing models for Arithmetic Average Asian options, including forward-start options

New volatility estimation functions

Additional Binomial option pricing models that take different dividend specifications

Better and more convienient handling of the first coupon for all financial instruments that have a floating rate coupon e.g. swaps and variable interest rate bonds

New objects have been introduced for swaps pricing to make it easier

Most examples of the Swaps and Floaters modules have been rewritten

There is now a choice of whether to include accrued interest or not with all relevant financial instruments e.g. bonds, MBO's and swaps

New function to fit interest rates

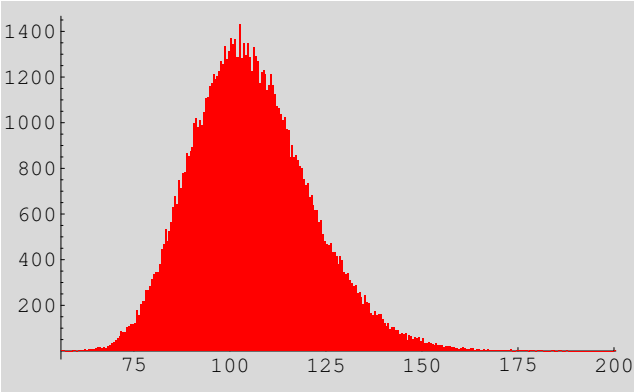
Faster discounting functions

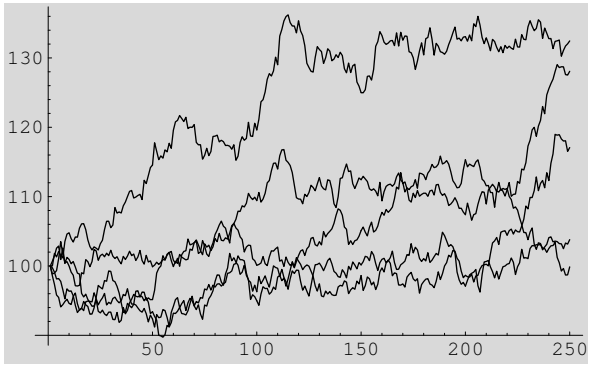
Caching and optimization of core calendar functions for higher performance

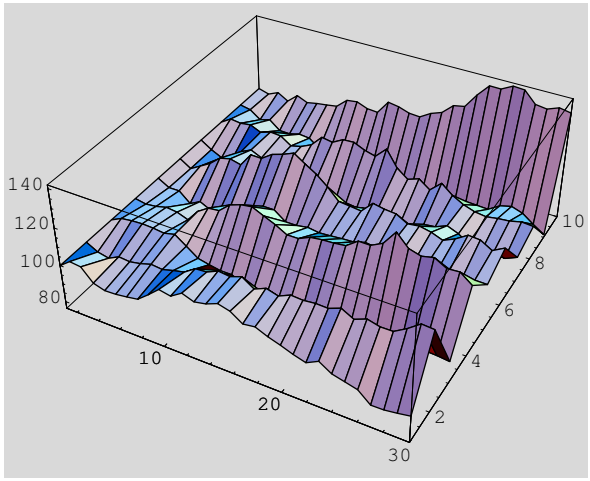
New, general and advanced SQL database integration module that only requires a database and a JDBC driver

Complete, multiple simultaneous connections, high performance and multiplatform database integration to e.g. Oracle, DB2 or MS SQL Server

New XML output from database SQL queries







Derivatives Expert III is available for Windows, Linux, Mac OS X and Unix platforms, and requires Mathematica version 4.x or webMathematica.

The database module of Derivatives Expert III requires an SQL database such as Oracle, J/Link and a JDBC-driver.

Substantial volume (multiple licenses) discounts as well as discounts for academia are available.

Derivatives Expert III is available now and is scheduled to be be complemented with a major, new risk management application in Fall 2002.

To place an order: **http://www.ifs.dk/shop.html**

To find a distributor: **http://www.ifs.dk/DerivativesExpert/distributors.html**

For further product information please send email to **info@ifs.dk** or contact your preferred distributor.