

triReduce Client Cleared Swap Compression

triReduce Rates, the award-winning multilateral compression service for OTC interest rate swaps, has expanded to include client cleared transactions, enabling clients to streamline cleared portfolios.

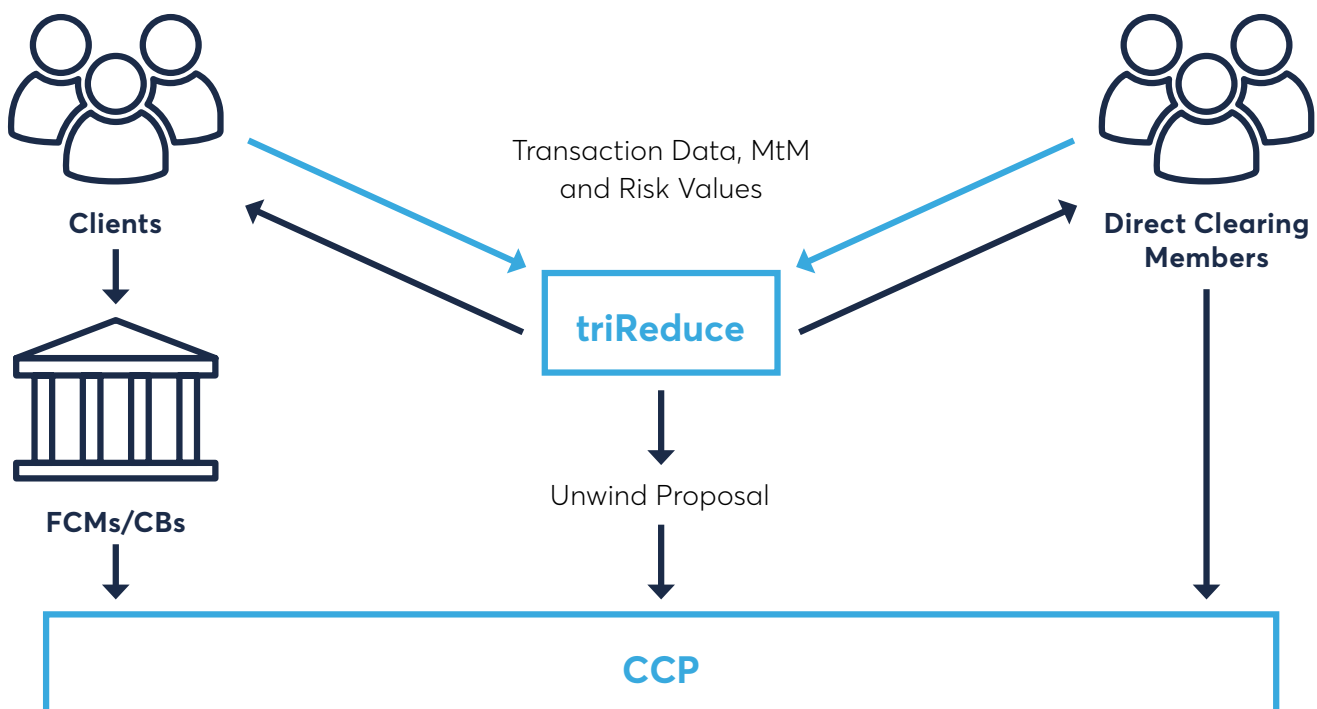
Non-direct clearing members now have access to triReduce multilateral compression via Futures Commission Merchants (FCMs) or Clearing Brokers (CB).

Eliminating Client Cleared Trades From a CCP Achieves Cost, Capital and Operational Efficiencies

- Reduces gross notional and line items
- Simplifies default management processes such as trade porting
- Reduces capital costs
- Reduces operational costs to maintain, monitor and report a cleared portfolio

The Multilateral Advantage

triReduce Rates leverages the multilateral opportunities in portfolio compression to eliminate trades across client accounts at multiple CBs/FCMs. It enables participants to terminate trades with different coupons, end dates and cash flows; and significantly reduce trade count, gross notional outstanding, and gross mark-to-market exposures.



**Award-Winning
Innovation**



FOW Awards
Best New Post Trade
Technology Product



**Sell-Side
Technology Awards**
2018 Best Sell-Side
Analytics Product

How Does It Work?

Clients submit a cleared trade population together with MtM and Risk values that are generated using their own yield curves. They also define a set of market risk and cash tolerances that reflect their individual risk preferences. TriOptima delivers an Unwind Proposal to each participant based on its trade population, valuations and risk constraints. Once all participants agree on their result the Unwind Proposal becomes legally binding.

The triReduce approach involves "risk constrained compression," where each client defines its own constraints on changes in market risk across its CB/FCM relationships to maximize the compression efficiency.

CBs/FCMs will play an important role in facilitating the compression exercise, while the CCP remains entirely cash flow and market risk flat throughout.

TriOptima interoperates seamlessly with multiple CCP platforms and affirmation/confirmation vendors that feed trades into the CCPs.

Systemic Risk Reduction

triReduce multilateral portfolio compression is the premier method for meeting the regulatory goals of reduced notional principal outstanding and operational risk, contributing to a reduction in overall systemic risk as well.

TriOptima's initiative to include client cleared trades in triReduce benefits clients, clearing members and CCPs by reducing costs and simplifying default management processes.

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