



SwapRent (SM)

A New Alternative for Property Owners

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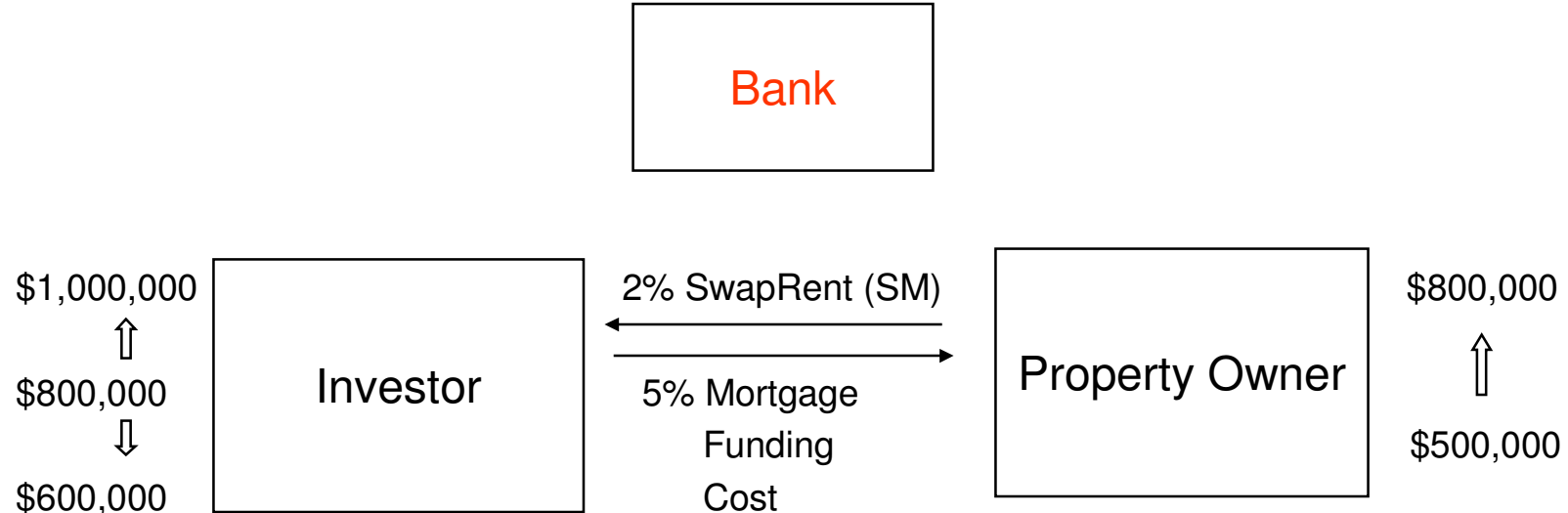
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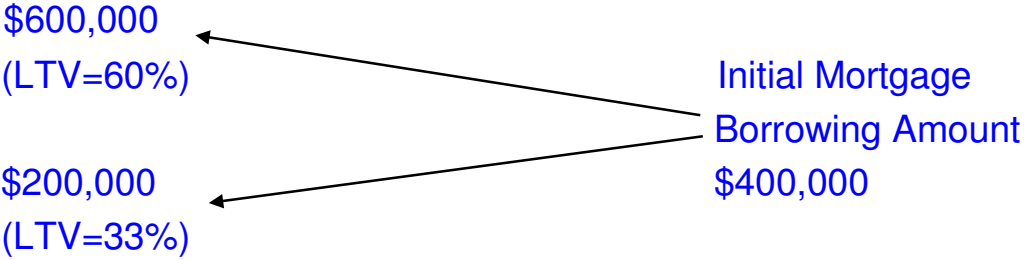
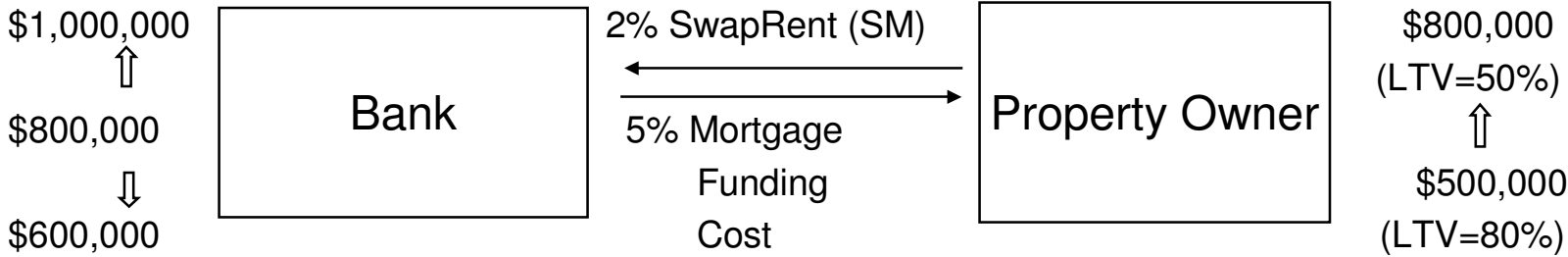


A Generic SwapRent (SM) Transaction





HELM (PELM) and FVCM with SwapRent (SM)

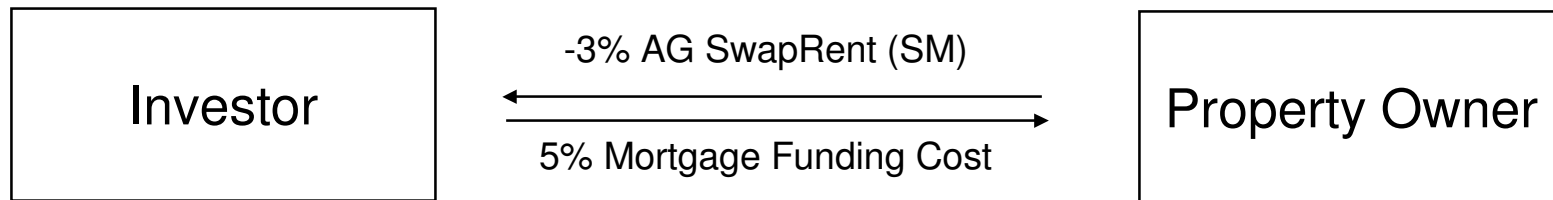


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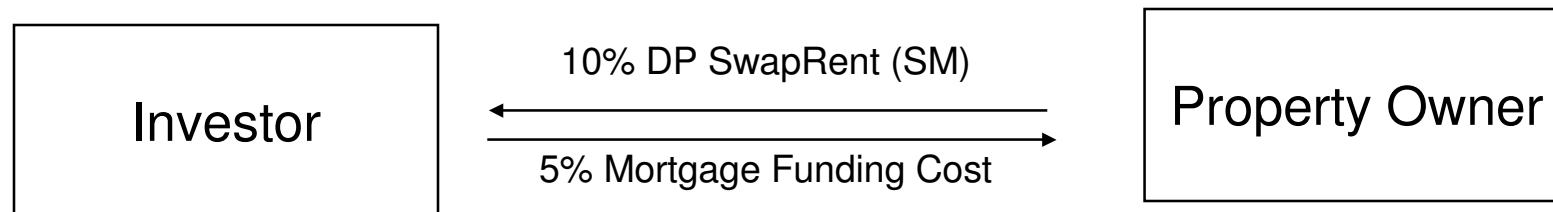


Examples of REIO Transactions

AG-SwapRent (SM): Short a Call Option



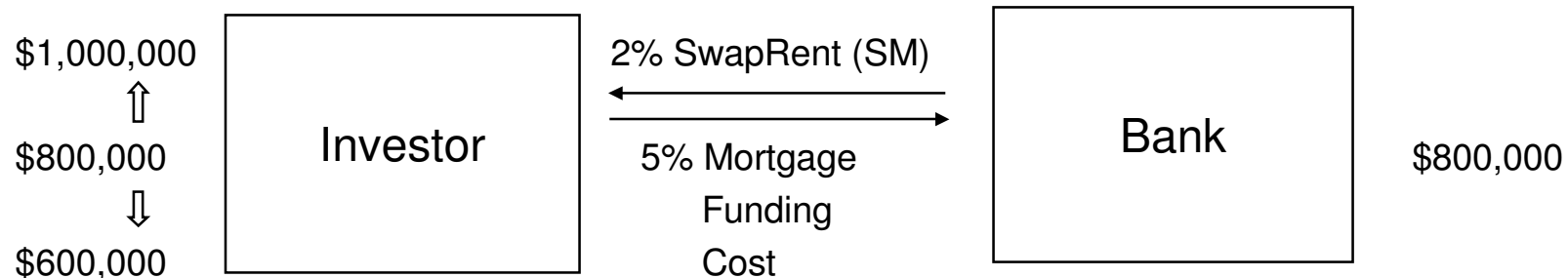
DP-SwapRent (SM): Long a Put Option





PILN (REILD) with SwapRent (SM)

For a generic SwapRent (SM) exposure



$$\text{Coupon} = [\text{Depo Rate} + (2 - 5)]\%$$

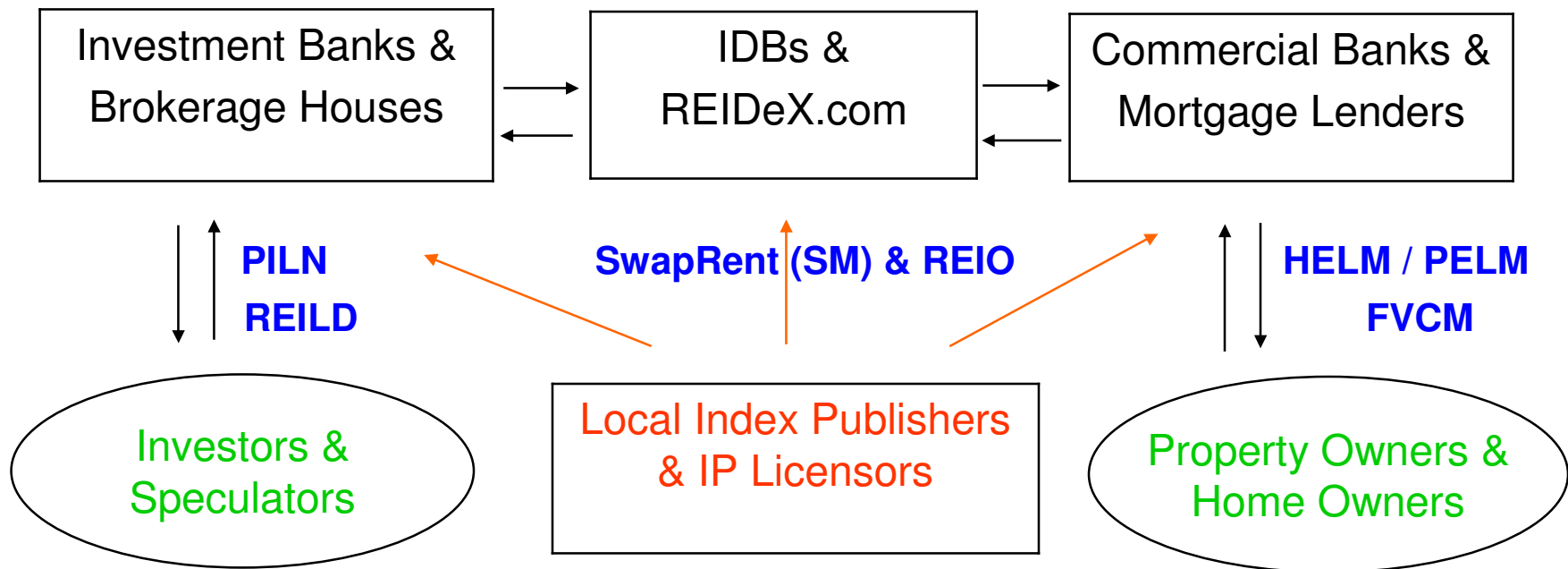
Principal Redemption

$$= [1 + (\text{Ending Index} - \text{Starting Index}) / \text{Starting Index}] * 100\%$$



SwapRent (SM) Industry Participants

Inter-Bank Market



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SwapRent.com

Country: US

City: Los Angeles

SwapRent (SM) Last Trades

	Index	Settlement	1 Yr.	2 Yr.	3Yr.	...	5 Yr.	...	10 Yr.	...
Neighborhood 1	350		2.5/2.3	2.5/2.3	2.6/2.4		2.5/2.2		2.4/2.2	
Neighborhood 2	325		2.5/2.3	2.6/2.3	2.5/2.3		2.3/2.1		2.6/2.3	
Neighborhood 3	330		2.5/2.3	2.5/2.3	2.6/2.4		2.4/2.2		2.5/2.3	
Neighborhood 4	250		2.0/1.8	2.2/2.0	2.3/2.0		2.3/2.0		2.4/2.1	
Neighborhood 5	200		1.9/1.6	1.9/1.7	2.1/1.9		2.2/2.0		2.3/2.0	
.....									
Neighborhood 26	650		2.5/2.3	2.7/2.5	2.8/2.6		2.6/2.3		2.3/2.0	
Neighborhood 27	725		2.7/2.5	2.8/2.6	2.8/2.5		3.2/3.0		3.3/2.9	
.....									
Neighborhood 38	1500		3.3/3.1	3.3/3.2	3.5/3.2		3.7/3.5		3.8/3.6	
Neighborhood 39	1750		3.5/3.3	3.6/3.4	3.7/3.5		3.5/3.2		4.2/3.9	



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SwapRent.com

Country: China **City: Hong Kong SAR** **REIO: DP SwapRent (SM) Last Trades**

Index

Settlement 1 Yr. 2 Yr. 3Yr. ... 5 Yr. ... 10 Yr. ...

Neighborhood 1	3500	8.5/8.3	8.5/8.3	8.6/8.4		8.5/8.2		8.4/8.2	
Neighborhood 2	3250	8.5/8.3	8.6/8.3	8.5/8.3		8.3/8.1		8.6/8.3	
Neighborhood 3	3300	8.5/8.3	8.5/2.3	8.6/8.4		8.4/8.2		8.5/8.3	
Neighborhood 4	2500	8.0/7.8	8.2/8.0	8.3/8.0		8.3/8.0		8.4/8.1	
Neighborhood 5	2000	7.9/7.6	7.9/7.7	8.1/7.9		8.2/8.0		8.3/8.0	
.....								
Neighborhood 26	6500	8.5/8.3	8.7/8.5	8.8/8.6		8.6/8.3		8.3/8.0	
Neighborhood 27	7250	8.7/8.5	8.8/8.6	8.8/8.5		9.2/9.0		9.3/8.9	
.....								
Neighborhood 38	15000	9.3/9.1	9.3/9.2	9.5/9.2		9.7/9.5		9.8/9.6	
Neighborhood 39	17500	9.5/9.3	9.6/9.4	9.7/9.5		9.5/9.2		10.2/9.9	



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SwapRent.com

Country: UK

City: London

REIO: AG SwapRent (SM) Last Trades

Index

Settlement 1 Yr. 2 Yr. 3Yr. ... 5 Yr. ... 10 Yr. ...

Neighborhood 1	350	-2.3/-2.5	-2.3/-2.5	-2.4/-2.6		-2.3/-2.5		-2.2/-2.5	
Neighborhood 2	325	-2.4/-2.6	-2.5/-2.7	-2.3/-2.5		-2.4/-2.6		-2.5/-2.7	
Neighborhood 3	330	-2.3/-2.5	-2.4/-2.6	-2.3/-2.6		-2.3/-2.6		-2.6/-2.8	
Neighborhood 4	250	-2.4/-2.6	-2.3/-2.5	-2.4/-2.7		-2.5/-2.7		-2.7/-2.9	
Neighborhood 5	200	-2.2/-2.5	-2.4/-2.7	-2.5/-2.8		-2.2/-2.5		-2.6/-2.8	
.....								
Neighborhood 26	650	-3.1/-3.3	-3.2/-3.4	-3.5/-3.7		-3.3/-3.5		-3.2/-3.4	
Neighborhood 27	725	-3.3/-3.5	-3.3/-3.5	-3.4/-3.6		-3.4/-3.7		-3.3/-3.7	
.....								
Neighborhood 38	1500	-3.3/-3.5	-3.3/-3.5	-3.4/-3.6		-3.6/-3.8		-3.6/-3.9	
Neighborhood 39	1750	-3.4/-3.6	-3.4/-3.6	-3.4/-3.7		-3.5/-3.8		-3.5/-3.8	



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SwapRent.com

Country: US **City: New York** **Commercial Property SwapRent (SM) Last Trades**

	Index	Settlement	1 Yr.	2 Yr.	3Yr.	...	5 Yr.	...	10 Yr.	...
Apartment 1	350		2.5/2.3	2.5/2.3	2.6/2.4		2.5/2.2		2.4/2.2	
Hotel 1	325		2.5/2.3	2.6/2.3	2.5/2.3		2.3/2.1		2.6/2.3	
Industrial 1	330		2.5/2.3	2.5/2.3	2.6/2.4		2.4/2.2		2.5/2.3	
Office 1	250		2.0/1.8	2.2/2.0	2.3/2.0		2.3/2.0		2.4/2.1	
Retail 1	200		1.9/1.6	1.9/1.7	2.1/1.9		2.2/2.0		2.3/2.0	
.....									
Apartment 6	650		2.5/2.3	2.7/2.5	2.8/2.6		2.6/2.3		2.3/2.0	
Hotel 6	725		2.7/2.5	2.8/2.6	2.8/2.5		3.2/3.0		3.3/2.9	
.....									
Office 8	1500		3.3/3.1	3.3/3.2	3.5/3.2		3.7/3.5		3.8/3.6	
Retail 8	1750		3.5/3.3	3.6/3.4	3.7/3.5		3.5/3.2		4.2/3.9	



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The Pending Patents

The consumer finance concept of SwapRent (SM) is the underlying transaction that weaves through and drives the rest of the new property value hedging index-linked consumer finance products.

REIO (Real Estate Index Option) is the option version of SwapRent (SM), expressed in AG and DP SwapRents (SM) using the same underlying concepts.

HELM (Home Equity Locking Mortgage) is the mortgage product the banks could offer to homeowners that goes hand in hand with SwapRents (SM). Homeowners do not even have to do any SwapRents (SM) transactions directly. They could simply elect to switch to this new kind of new index-linked mortgage with the banks to achieve the same economic objectives.

Like HELM is for homeowners, PELM (Property Equity Locking Mortgage) is for owners of individual commercial properties such as shops, industrial warehouses, office buildings, apartment complexes and hotels.



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The Pending Patents

FVCM (Future Value Choice Mortgage) is the mortgage product that goes hand in hand with REIOs providing the property owners with the ultimate economic benefits through optionality (puts and calls).

PILN (Property Index Linked Note) or REILD (Real Estate Index Linked Deposit) is the structured asset for investors and speculators to express particular market views on the property or real estate markets. They could also be used by both long and short hedgers as well.

REIDeX.com (Real Estate Index Derivatives eXchange) is the execution market place. It covers all the OTC derivative instruments on real estate.

SwapRent.com is the online information portal for SwapRent (SM) last trades and index settlements.

SPIM (SwapRent (SM) Property Indexing Methodology) is a unique granular like-kind property neighborhood (such as postal code) based scale-able indexing methodology.



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