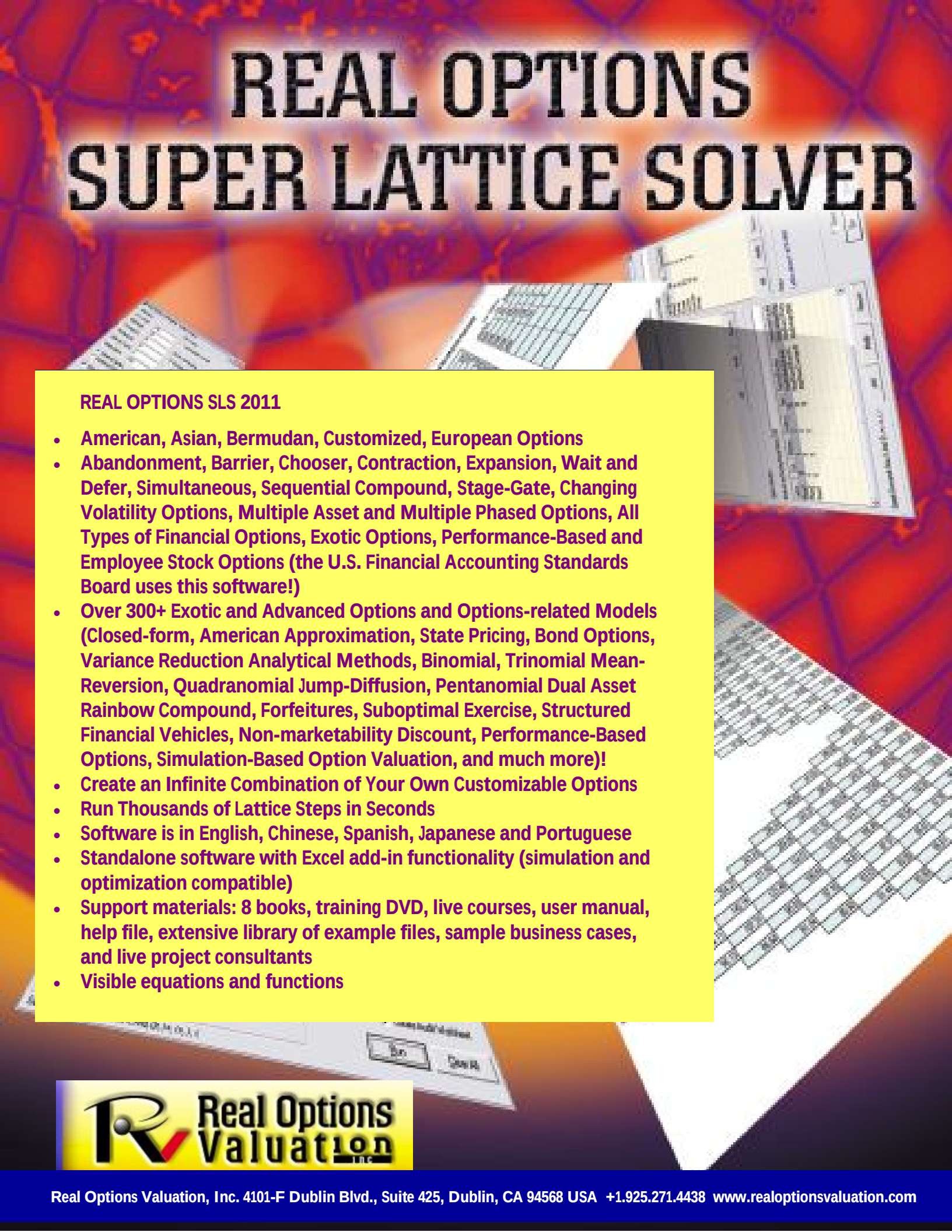
REAL OPTIONS SUPER LATTICE SOLVER



REAL OPTIONS SLS 2011

- American, Asian, Bermudan, Customized, European Options
- Abandonment, Barrier, Chooser, Contraction, Expansion, Wait and Defer, Simultaneous, Sequential Compound, Stage-Gate, Changing Volatility Options, Multiple Asset and Multiple Phased Options, All Types of Financial Options, Exotic Options, Performance-Based and Employee Stock Options (the U.S. Financial Accounting Standards Board uses this software!)
- Over 300+ Exotic and Advanced Options and Options-related Models (Closed-form, American Approximation, State Pricing, Bond Options, Variance Reduction Analytical Methods, Binomial, Trinomial Mean-Reversion, Quadranomial Jump-Diffusion, Pentanomial Dual Asset Rainbow Compound, Forfeitures, Suboptimal Exercise, Structured Financial Vehicles, Non-marketability Discount, Performance-Based Options, Simulation-Based Option Valuation, and much more)!
- Create an Infinite Combination of Your Own Customizable Options
- Run Thousands of Lattice Steps in Seconds
- Software is in English, Chinese, Spanish, Japanese and Portuguese
- Standalone software with Excel add-in functionality (simulation and optimization compatible)
- Support materials: 8 books, training DVD, live courses, user manual, help file, extensive library of example files, sample business cases, and live project consultants
- Visible equations and functions

Real Options Valuation Inc

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REAL OPTIONS SUPER LATTICE SOFTWARE (SLS)

Move beyond the academic papers and theoretical realm, and start applying real options with this new software. Real Options SLS is a standalone software and spreadsheet accessible add-in for analyzing and valuing real options, financial options, exotic options and employee stock options and incorporating them into custom spreadsheet models. The newly designed customized option modules allow you to create your own à la carte fully customized models, where all the mathematical equations and functions are visible, thus demystifying the approach and results, making them easier to understand and explain.

SOFTWARE FUNCTIONALITY, ALGORITHMS AND MODELS

- Solves Real Options such as sequential compound options, phased stage-gate options, and multiple asset options, with the combinations of options to abandon, barrier, choose, contract, expand, switch, wait and defer, and any user-specific customizable real options, with the ability to mix and match options (mutually exclusive and nested options)
- Solves Financial Options including mixed multiple assets, benchmark options, warrants, convertibles, structured financial vehicles, combined with American, European, Bermudan and Asian options, and any make-your-own options
- Solves Employee Stock Options with vesting, forfeitures, suboptimal exercise multiples, performance-based shares (external market or internal corporate), and make-your-own custom options
- This is the same software used by the U.S. Financial Accounting Standards Board when creating their FAS 123R in 2004
- You can create your own option models using predefined equations or your own equations, where a 1000-step binomial lattice can be computed in a few seconds (something that if done manually will take hundreds of years on a computer), and also has closed-form model benchmark models from Black-Scholes-Merton to other advanced closed-form American models
- Available in English, Spanish, Japanese, Chinese, Portuguese, and has multiple language detailed User Manuals with sample case studies and step-by-step modeling techniques and solutions as well as 80 detailed example models
- Runs Binomial, Trinomial (mean-reverting options), Quadranomial (jump-diffusion options), Pentanomial (rainbow compound options) models as well as over 300+ closed-form advanced options models (state-pricing models, analytical methods, volatility computations, variance reduction, American approximation models, options valuation via simulation techniques, all types of bond-options and convertible warrants, changing volatility options, other options-related models and much more!)
- SLS is fully functional in Excel, where you can run Monte Carlo risk simulation on your option models, link to and from other existing Excel models, and apply other advanced analytics like Risk Simulator's Monte Carlo simulation, optimization, stochastic forecasting and VBA macros
- The generated lattices' equations and functions in Excel are fully visible with a live model with links and equations...
- It is a powerful options modeling learning tool
- SLS is a fully customizable modeling tool, with the ability to enter in your own options equations
- Leverage existing static NPV analysis to add financial sophistication including dynamic simulation, real options analysis, and optimization and you can use a framework for identifying, valuing, selecting, and prioritizing the right projects to gain additional insights into strategic value and management flexibility in decision making
- You can correctly evaluate a project's strategic intrinsic value and eliminate the possibility of undervaluing the strategic value of certain projects, identify, frame, and value future strategic opportunities, and incorporate new decisions over time, as opposed to NPV's requirement that all decisions be defined at the outset by analyzing multiple strategic decision pathways, as opposed to NPV's single decision pathway
- The SLS software is a reliable, repeatable, and consistent process for decision making within a user-friendly software with powerful analysis tools to solve problems that cannot be otherwise solved
- 8 books on risk analysis, real options, and options valuation written by the software's creator, a set of Training DVD on real options and risk analysis (simulation, forecasting, optimization, real options, and applied statistics)

TRIAL AND ACADEMIC VERSIONS

Real Options SLS software can be downloaded immediately from our website with a default 10 day trial license. Our philosophy is you get to try before you buy. Once you use it, we are convinced you will fall in love with the simplicity and the power of the tool, and it will become an indispensible part of your modeling toolbox. We also have academic licenses for full-time professors teaching risk analysis (and their students) or other associated courses using Real Options SLS or our company's other software products. Contact admin@realoptionsvaluation.com for details.

TRAINING AND CONSULTING

Advanced analytical tools such as the Risk Simulator software are built to be easy to use but may get the analyst in trouble if used inappropriately. Sufficient theoretical understanding coupled with pragmatic application experience is vital; therefore, training is critical.

Our ***Risk Analysis*** course is a two-day seminar focused on hands-on computer-based software training, with topics covering the basics of risk and uncertainty, using Monte Carlo simulation (pitfalls and due diligence), and all of the detailed methods in forecasting and optimization.

We also have a ***Real Options for Analysts*** course for the analysts who want to immediately begin applying strategic real options in their work, but lack the hands-on experience with real options analytics and modeling. This two-day course covers how to set up real options models, apply real options, and solve real options problems using simulation, closed-form mathematics, binomial and multinomial lattices using the Real Options SLS software.

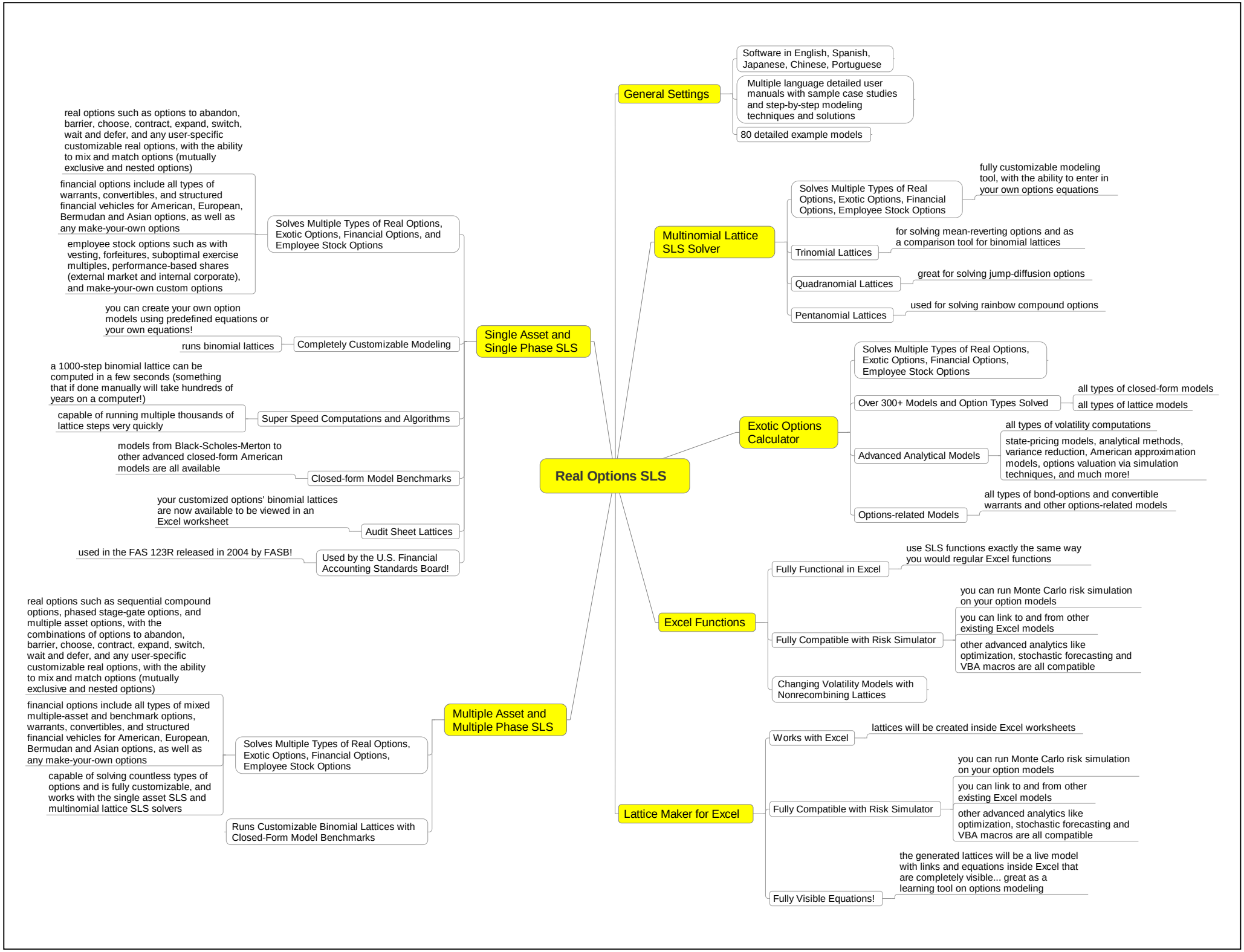
The ***Certified in Risk Management (CRM)*** seminar is a four-day hands-on class that covers the materials on our Risk Analysis and Real Options for Analysts courses and geared towards the CRM certification provided by the International Institute of Professional Education and Research (AACSB member and eligible for 30 PDU credits with the PMI).

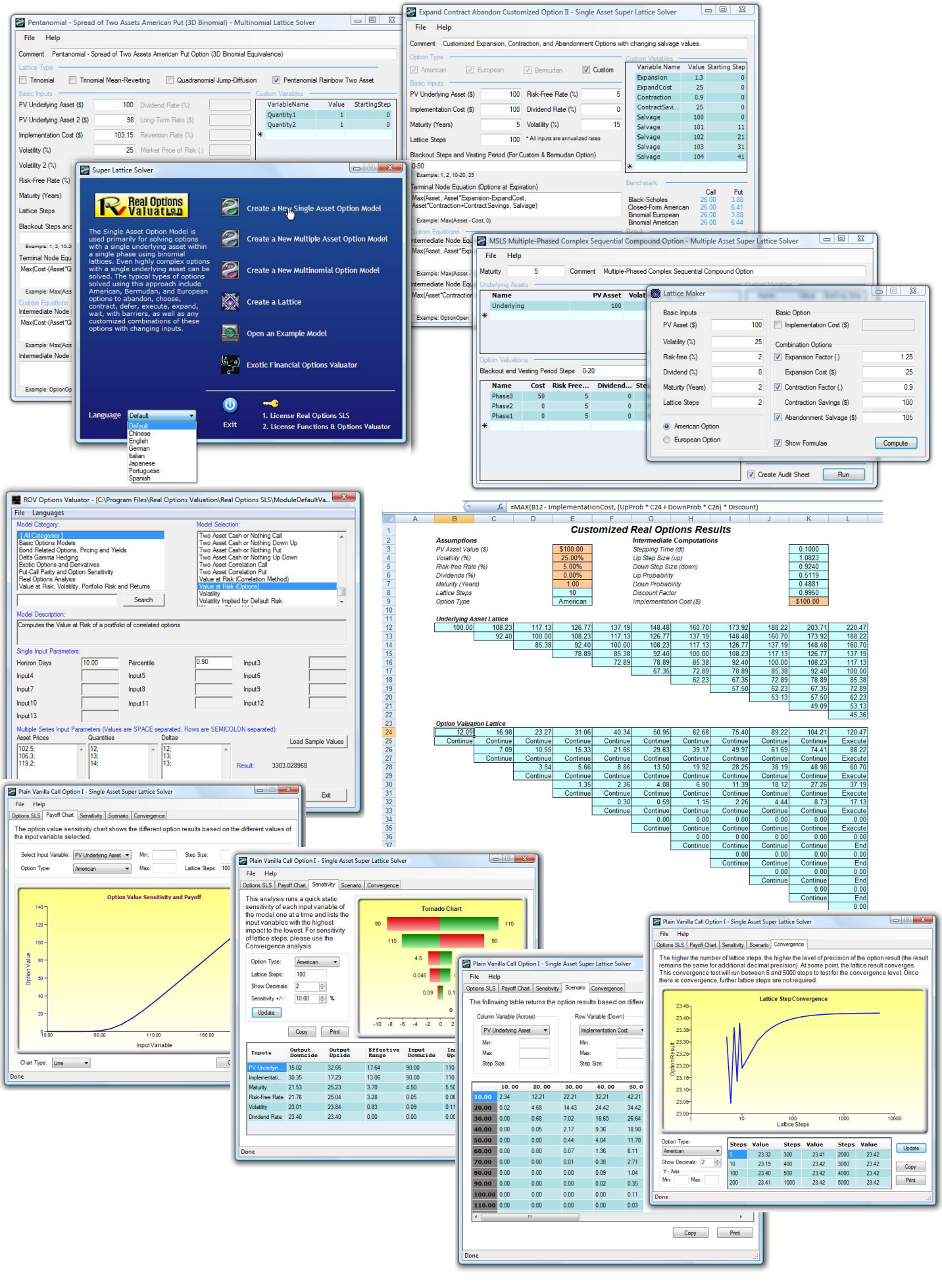
Our ***Risk Analysis for Senior Managers*** is a one day course specially designed for senior executives, where we will review case studies in risk management from 3M, Airbus, Boeing, GE, and many others. It provides an executive overview of risk analysis, strategic real options, portfolio optimization, forecasting and risk concepts without the technical details.

Also available are other customized decision, valuation and risk analysis courses with an emphasis on on-site trainings customized to your firm's exact needs based on your business cases and models). Consulting services are available, including the framing of risk analysis problems, simulation, forecasting, real options, risk analytics, model building, decision analysis, integrated OEM and software customization.

EXPERTISE

Dr. Johnathan Mun is the software's creator and teaches the **Risk Analysis, Real Options for Analysts, Risk Analysis for Managers, CRM,** and other courses. He has consulted for many Fortune 500 firms (from 3M, Airbus, Boeing to GE, Motorola) and the government (Department of Defense, State and Federal Agencies) on risk analysis, valuation, and real options, and has written a number of books on the topic, including *Real Options Analysis: Tools and Techniques, 1st* and *2nd Edition* (Wiley Finance, 2005, 2002); *Real Options Analysis Course: Business Cases* (Wiley Finance, 2003); *Applied Risk Analysis: Moving Beyond Uncertainty in Business* (Wiley, 2003); *Valuing Employee Stock Options Under 2004 FAS 123* (Wiley Finance, 2004); *Modeling Risk: Applying Monte Carlo Simulation, Real Options Analysis, Forecasting and Optimization* (Wiley, 2006); *Advanced Analytical Models: 800 Functions and 300 Models from Basel II to Wall Street and Beyond* (Wiley 2008); *The Banker's Handbook on Credit Risk: Implementing Basel II* (Elsevier 2008); and others. He is the founder and CEO of Real Options Valuation, Inc., and is responsible for the development of analytical software products, consulting, and training services. He was formerly Vice President of Analytics at Decisioneering, Inc. (Oracle), and was a Consulting Manager in KPMG's Global Financial Strategies practice. Before KPMG, he was head of financial forecasting for Viking, Inc. (an FDX/FedEx Company). Dr. Mun is also a full professor at the U.S. Naval Postgraduate School and a professor at the University of Applied Sciences and Swiss School of Management (Zurich and Frankfurt), and he has held other adjunct professorships at various universities. He has a Ph.D. in finance and economics, an MBA in business administration, an M.S. in the area of management science, and a BS in applied sciences. He is certified in Financial Risk Management (FRM), Certified in Financial Consulting (CFC), and Certified in Risk Management (CRM).


Real Options SLS
General Settings
Software in English, Spanish, Japanese, Chinese, Portuguese
Multiple language detailed user manuals with sample case studies and step-by-step modeling techniques and solutions
80 detailed example models
Multinomial Lattice SLS Solver
Solves Multiple Types of Real Options, Exotic Options, Financial Options, Employee Stock Options
fully customizable modeling tool, with the ability to enter in your own options equations
Trinomial Lattices
for solving mean-reverting options and as a comparison tool for binomial lattices
Quadranomial Lattices
great for solving jump-diffusion options
Pentanomial Lattices
used for solving rainbow compound options
Exotic Options Calculator
Solves Multiple Types of Real Options, Exotic Options, Financial Options, Employee Stock Options
Over 300+ Models and Option Types Solved
all types of closed-form models
all types of lattice models
Advanced Analytical Models
all types of volatility computations
state-pricing models, analytical methods, variance reduction, American approximation models, options valuation via simulation techniques, and much more!
Options-related Models
all types of bond-options and convertible warrants and other options-related models
Excel Functions
Fully Functional in Excel
use SLS functions exactly the same way you would regular Excel functions
Fully Compatible with Risk Simulator
you can run Monte Carlo risk simulation on your option models
you can link to and from other existing Excel models
other advanced analytics like optimization, stochastic forecasting and VBA macros are all compatible
Changing Volatility Models with Nonrecombining Lattices
Lattice Maker for Excel
Works with Excel
lattices will be created inside Excel worksheets
Fully Compatible with Risk Simulator
you can run Monte Carlo risk simulation on your option models
you can link to and from other existing Excel models
other advanced analytics like optimization, stochastic forecasting and VBA macros are all compatible
Fully Visible Equations!
the generated lattices will be a live model with links and equations inside Excel that are completely visible... great as a learning tool on options modeling
Multiple Asset and Multiple Phase SLS
Solves Multiple Types of Real Options, Exotic Options, Financial Options, Employee Stock Options
real options such as sequential compound options, phased stage-gate options, and multiple asset options, with the combinations of options to abandon, barrier, choose, contract, expand, switch, wait and defer, and any user-specific customizable real options, with the ability to mix and match options (mutually exclusive and nested options)
financial options include all types of mixed multiple-asset and benchmark options, warrants, convertibles, and structured financial vehicles for American, European, Bermudan and Asian options, as well as any make-your-own options
capable of solving countless types of options and is fully customizable, and works with the single asset SLS and multinomial lattice SLS solvers
Runs Customizable Binomial Lattices with Closed-Form Model Benchmarks
Single Asset and Single Phase SLS
Solves Multiple Types of Real Options, Exotic Options, Financial Options, and Employee Stock Options
real options such as options to abandon, barrier, choose, contract, expand, switch, wait and defer, and any user-specific customizable real options, with the ability to mix and match options (mutually exclusive and nested options)
financial options include all types of warrants, convertibles, and structured financial vehicles for American, European, Bermudan and Asian options, as well as any make-your-own options
employee stock options such as with vesting, forfeitures, suboptimal exercise multiples, performance-based shares (external market and internal corporate), and make-your-own custom options
Completely Customizable Modeling
you can create your own option models using predefined equations or your own equations!
runs binomial lattices
Super Speed Computations and Algorithms
a 1000-step binomial lattice can be computed in a few seconds (something that if done manually will take hundreds of years on a computer!)
capable of running multiple thousands of lattice steps very quickly
Closed-form Model Benchmarks
models from Black-Scholes-Merton to other advanced closed-form American models are all available
Audit Sheet Lattices
your customized options' binomial lattices are now available to be viewed in an Excel worksheet
Used by the U.S. Financial Accounting Standards Board!
used in the FAS 123R released in 2004 by FASB!


Pentanomial - Spread of Two Assets American Put (3D Binomial) - Multinomial Lattice Solver
Expand Contract Abandon Customized Option II - Single Asset Super Lattice Solver
Super Lattice Solver
Real Options Valuation
Create a New Single Asset Option Model
Create a New Multiple Asset Option Model
Create a New Multinomial Option Model
Create a Lattice
Open an Example Model
Exotic Financial Options Valuator
Exit
1. License Real Options SLS
2. License Functions & Options Valuator
MSLS Multiple-Phased Complex Sequential Compound Option - Multiple Asset Super Lattice Solver
Lattice Maker
ROV Options Valuator - [C:\Program Files\Real Options Valuation\Real Options SLS\ModuleDefaultVa...
=MAX(B12 - ImplementationCost, (UpProb * C24 + DownProb * C26) * Discount)
Customized Real Options Results
Plain Vanilla Call Option I - Single Asset Super Lattice Solver
Option Value Sensitivity and Payoff
Tornado Chart
Lattice Step Convergence