



LIBOR TRANSITION UPDATES

Updates provided by Brandon Lippold, Assistant Vice President at Blue Rose Capital Advisors

- ISDA language coming soon
 - Protocol coming which will include official fallback language.
 - Determining a LIBOR-SOFR Fallback Spread
 - There will be an “Announcement Date” at which point the spread will be established.
 - 5-year median lookback window.
 - This will occur before the actual LIBOR cessation date.
 - There will be a specific methodology published for calculating the spread.
 - BB terminal will display this spread.
- At some point in the near future, discounting will shift from Fed Funds to SOFR.
 - There are basis implications to the MTM value with this change.
 - This change could open the door for some contracts to be entirely renegotiated.
- SOFR issuance volume has declined in past months.
 - Due to a general market decline in issuances.
- SOFR options will begin to have a market by the end of the year.