

## Figures and Tables

Fig 1: The SABR volatility of volatility as a function of the caplet expiry (in years) for the fitting on 26-Sept-2006

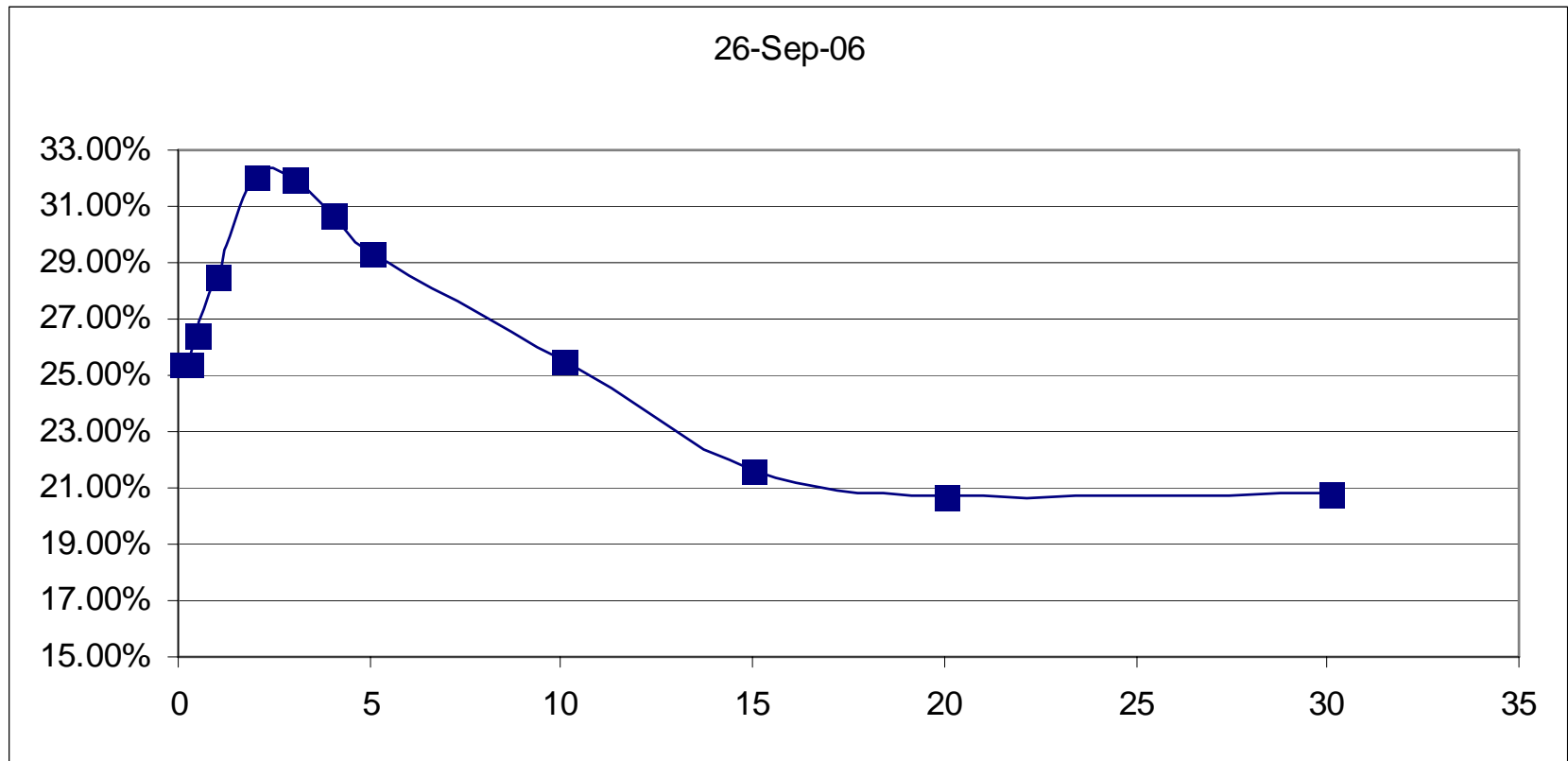


Fig 2: The market and fitted volatility of volatility function against caplet expiry (in years) for 26-09-2006

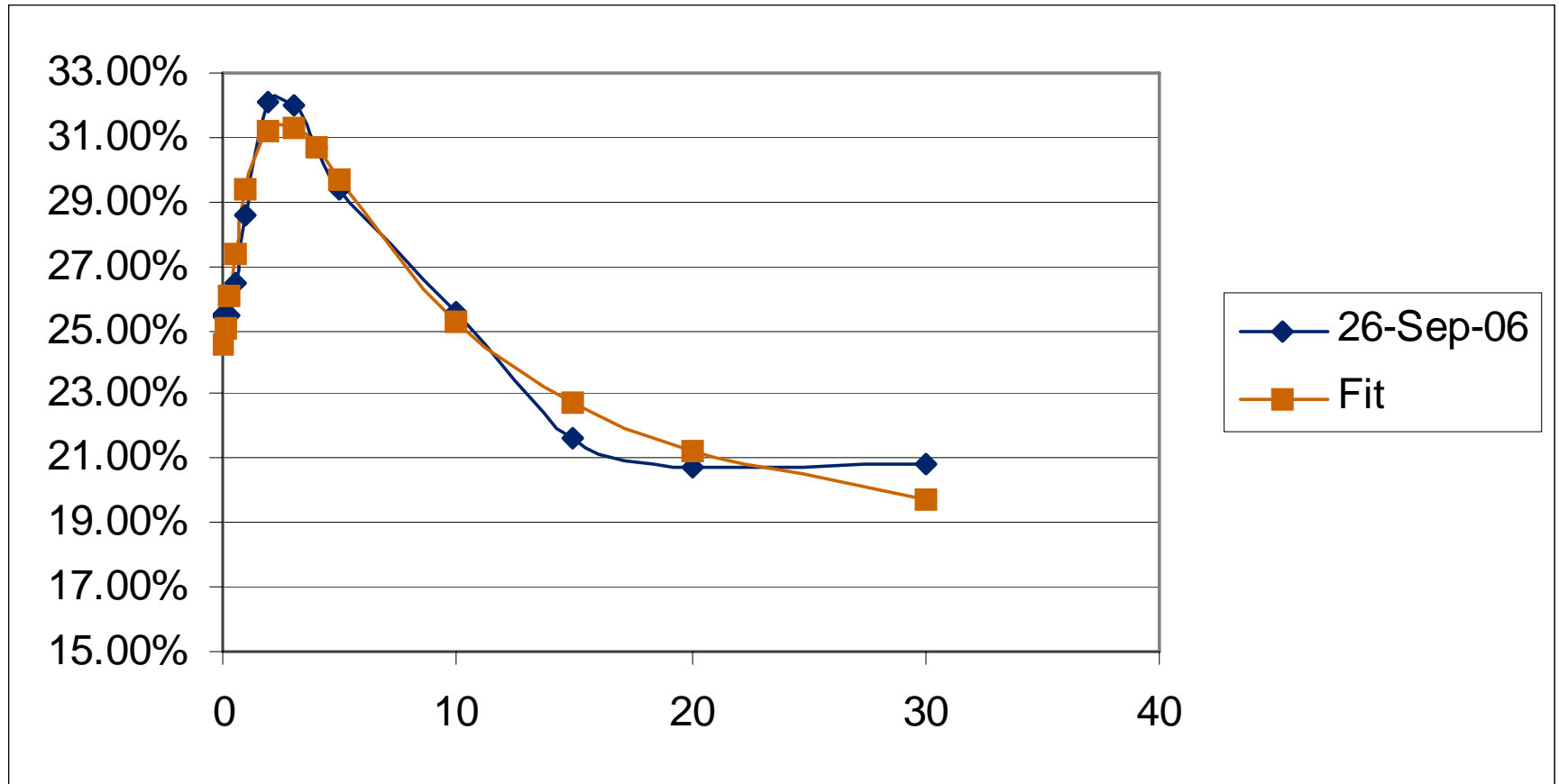


Fig 3: SABR and LMM implied volatilities (Beta=0.75, T=4years, VolVol=20%, corr=-0.1 fwd 4.00%)

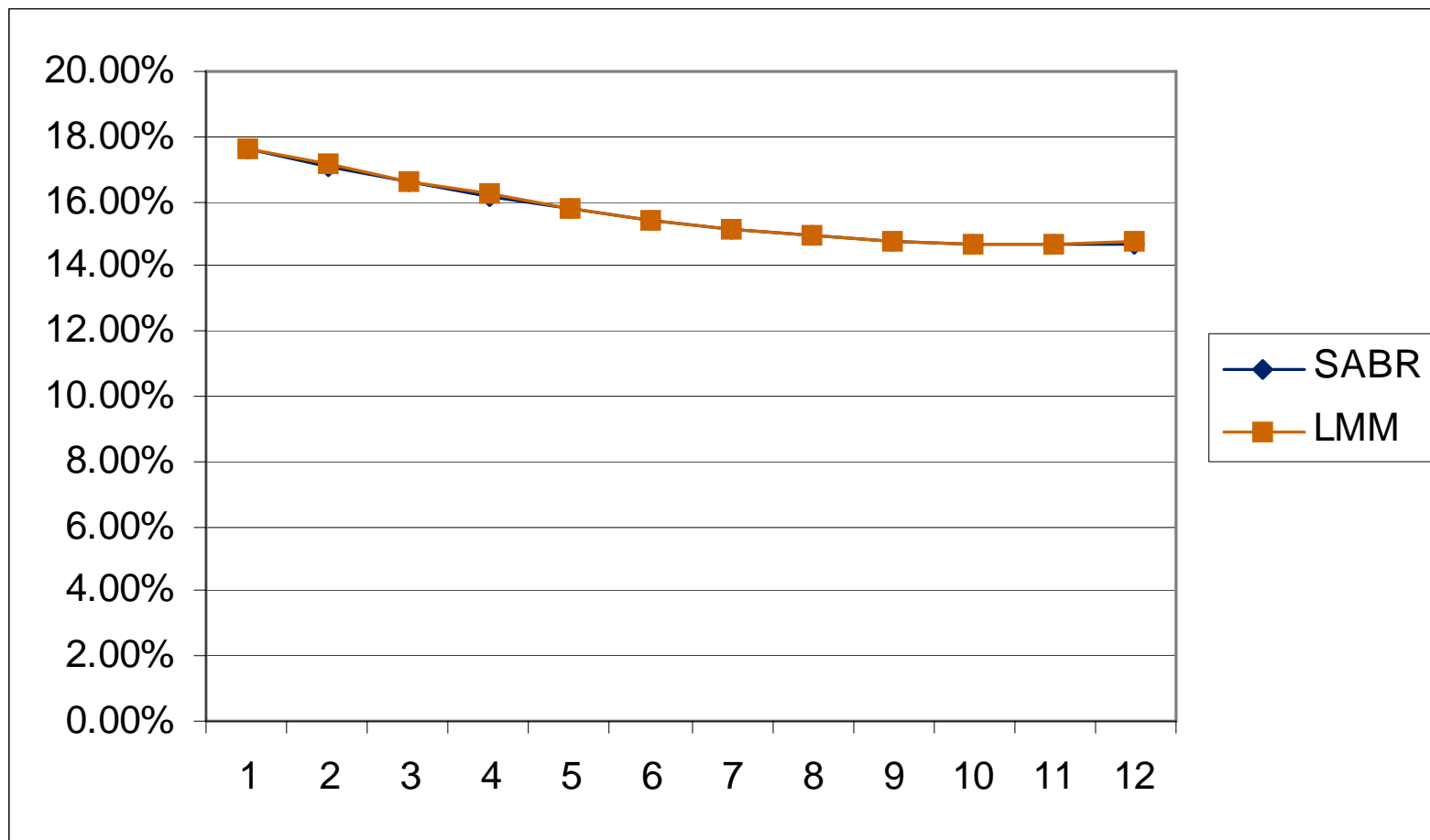


Fig 4: SABR and LMM implied volatilities (Beta=0.75, T=10years, VolVol=20%, corr=-0.1 fwd 4.00%)

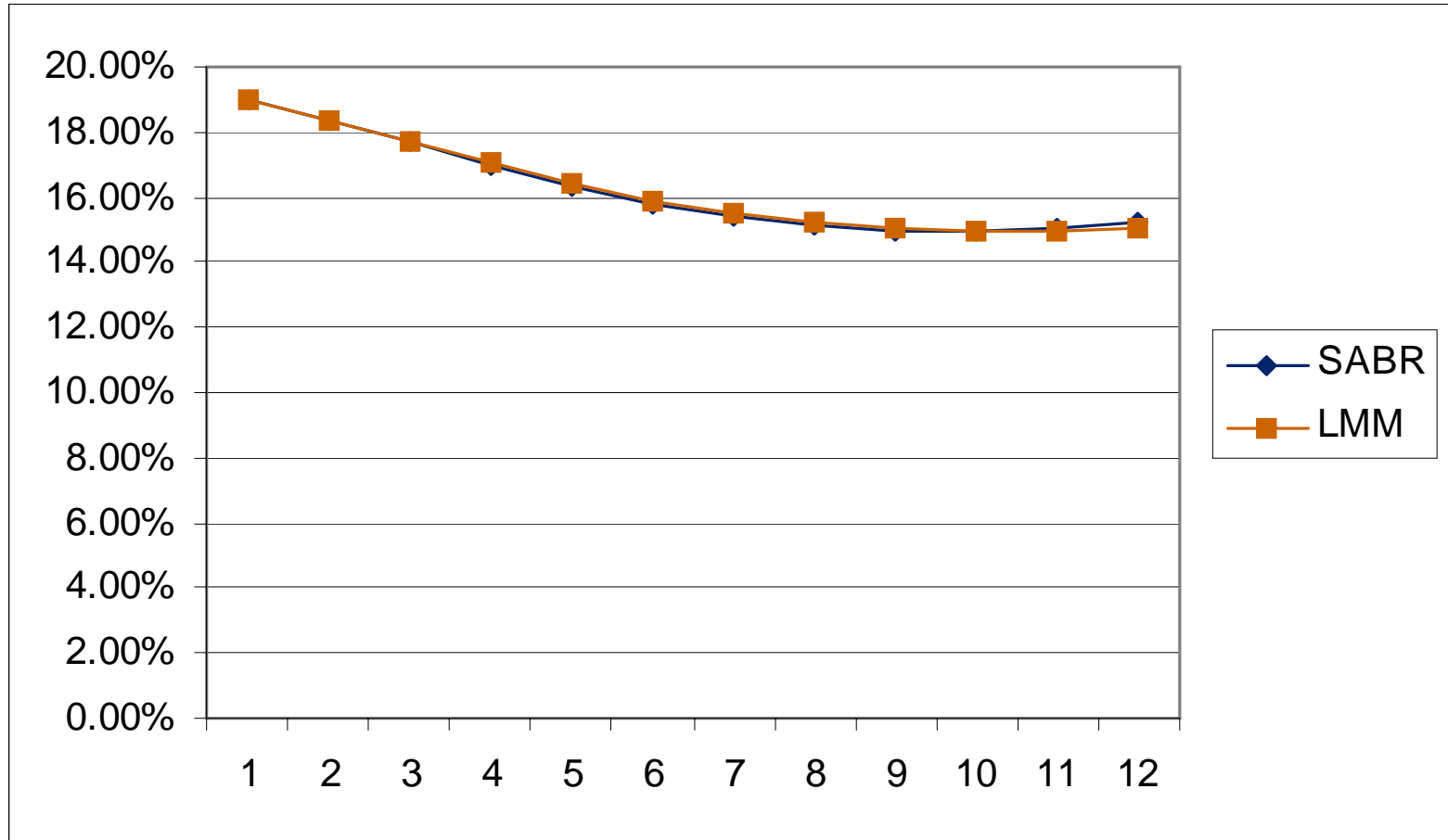


Fig 5: SABR and LMM implied volatilities (Beta=0.75, T=20years, VolVol=20%, corr=-0.1 fwd 4.00%)

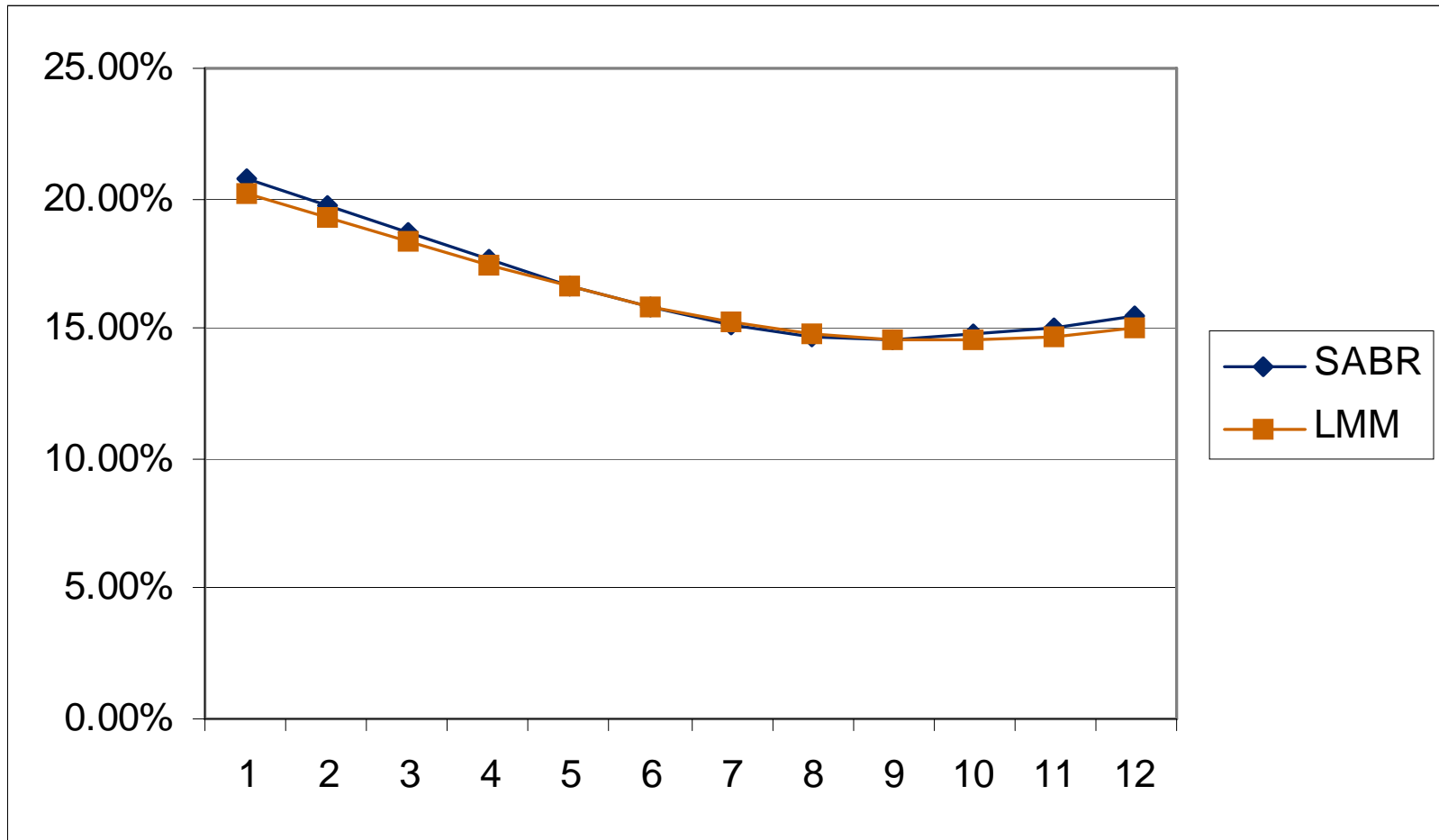


Fig 6: SABR and LMM implied volatilities (Beta=0.75, T=30years, VolVol=20%, corr=-0.1 fwd 4.00%)

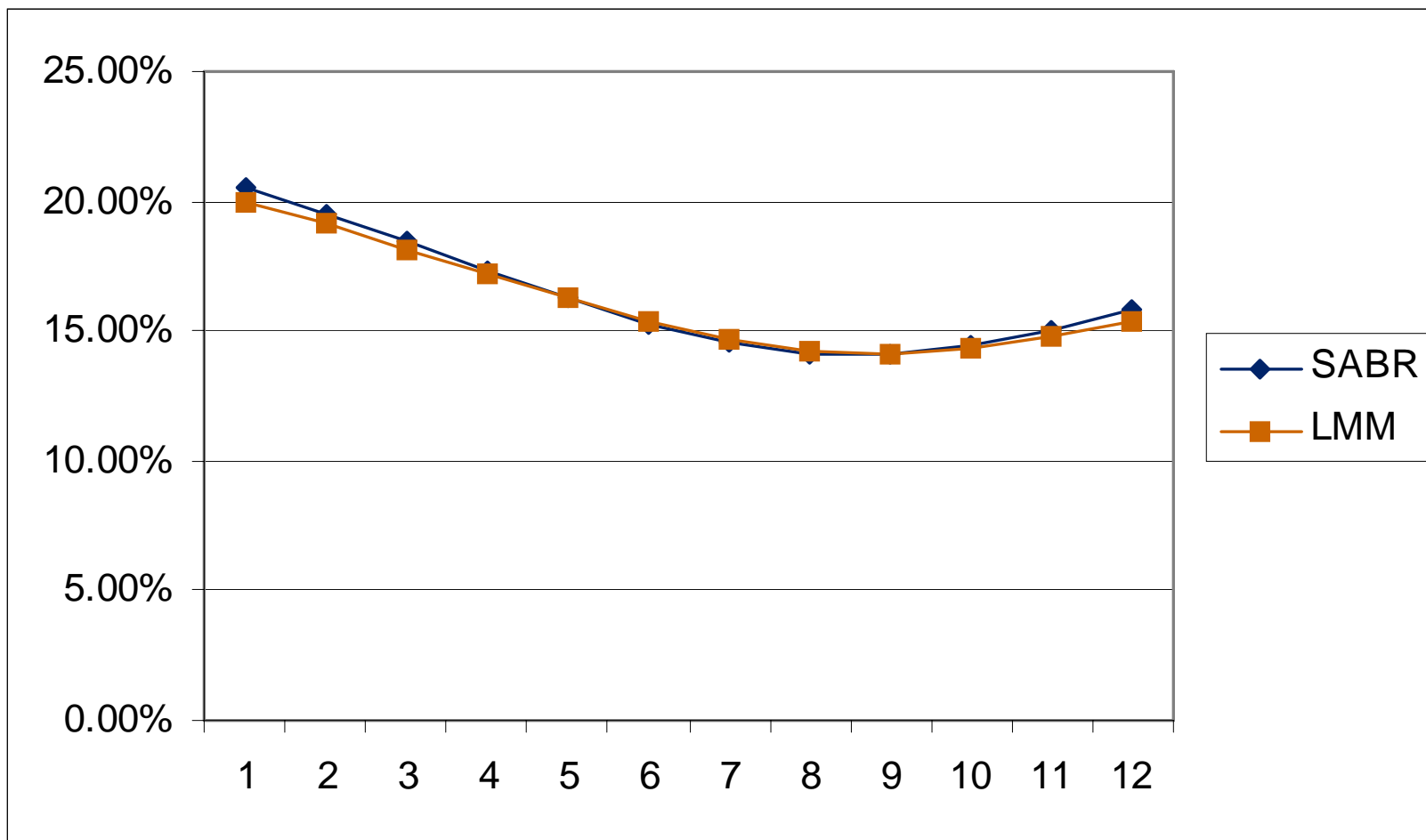


Fig 7: The correction factors as a function of caplet expiry (in years).

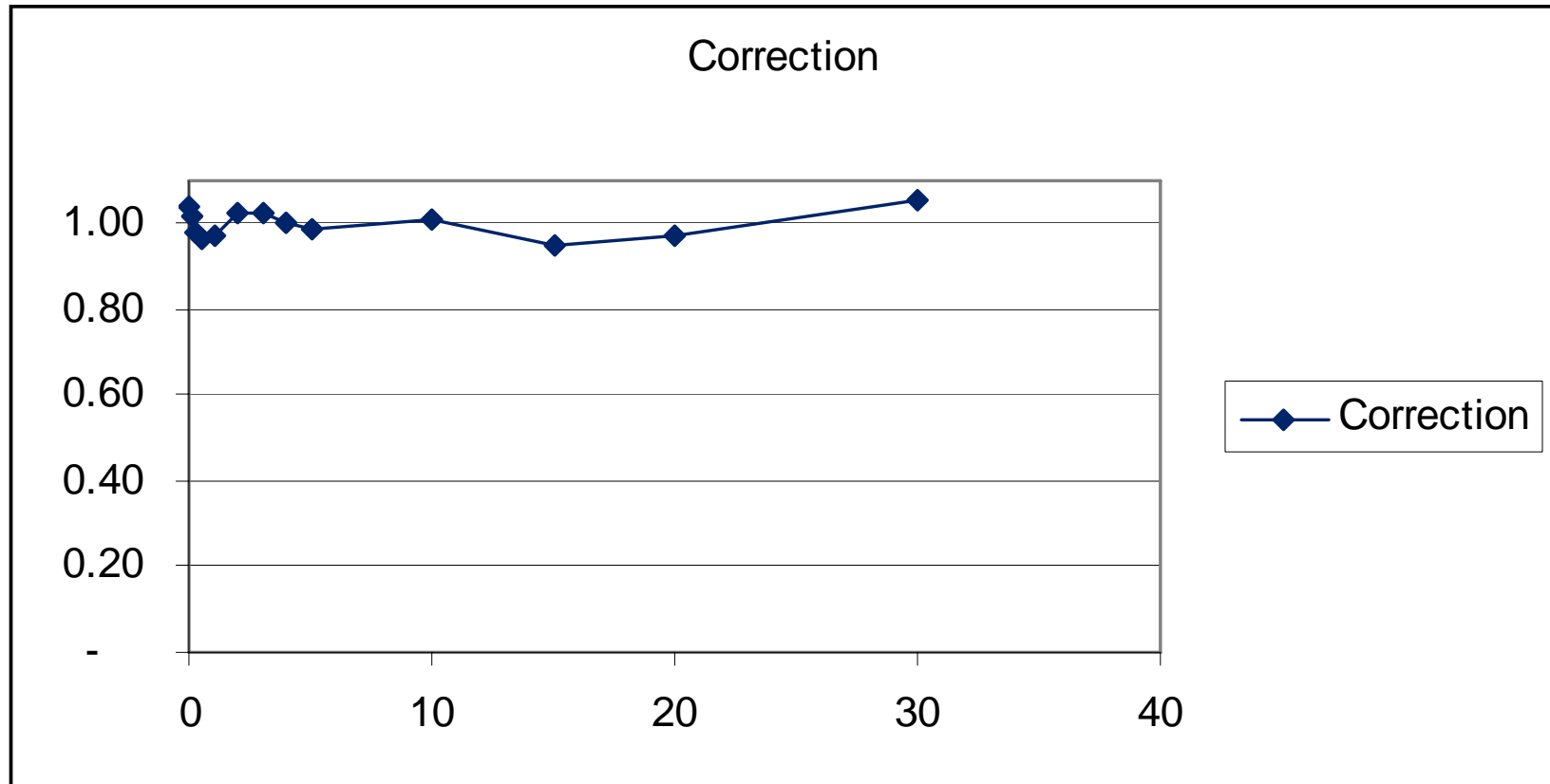


Fig 8: The errors as a function of the strike for the 4-year expiry reported in Fig 3.

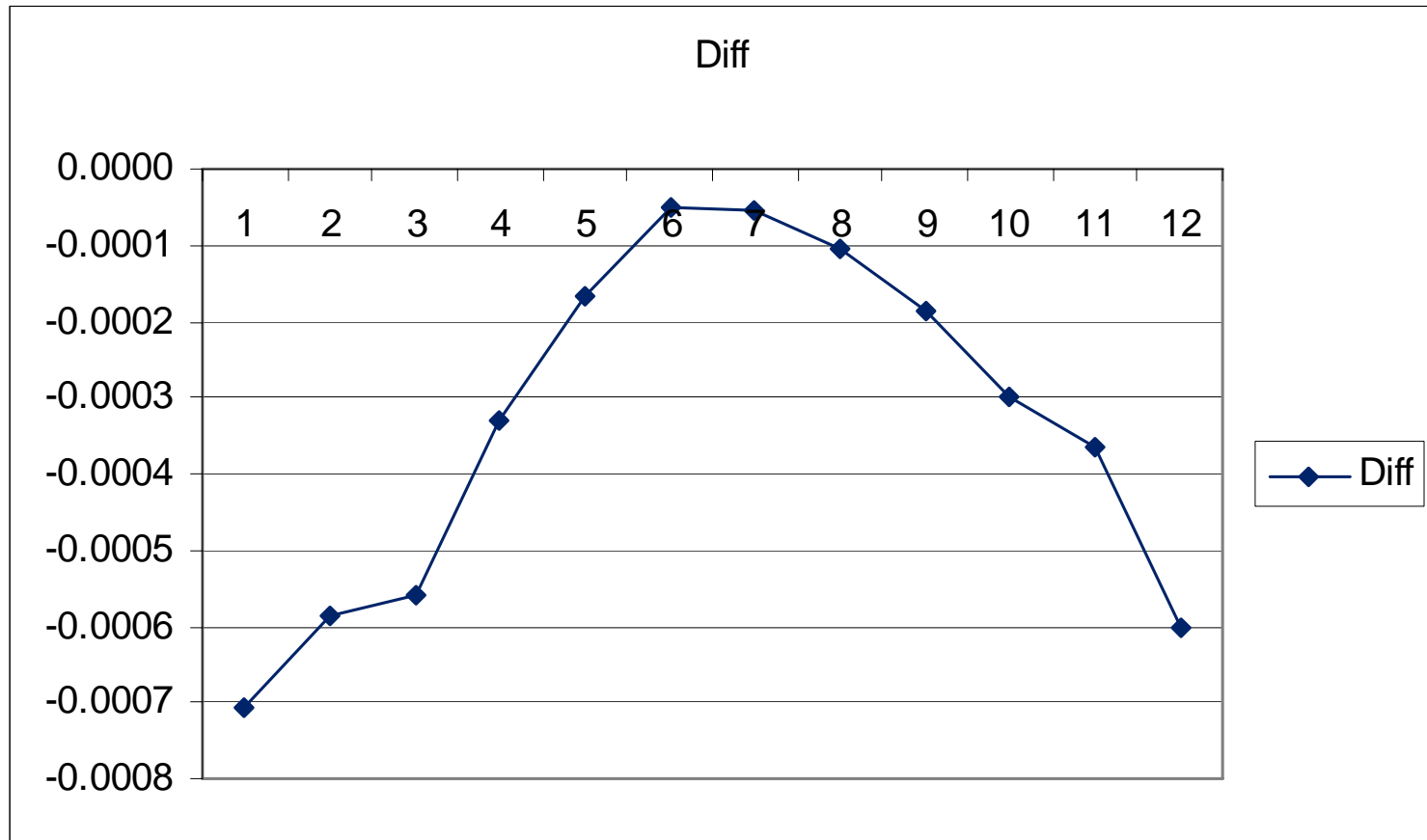


Fig 9: The errors as a function of the strike for the 10-year expiry reported in Fig 4.

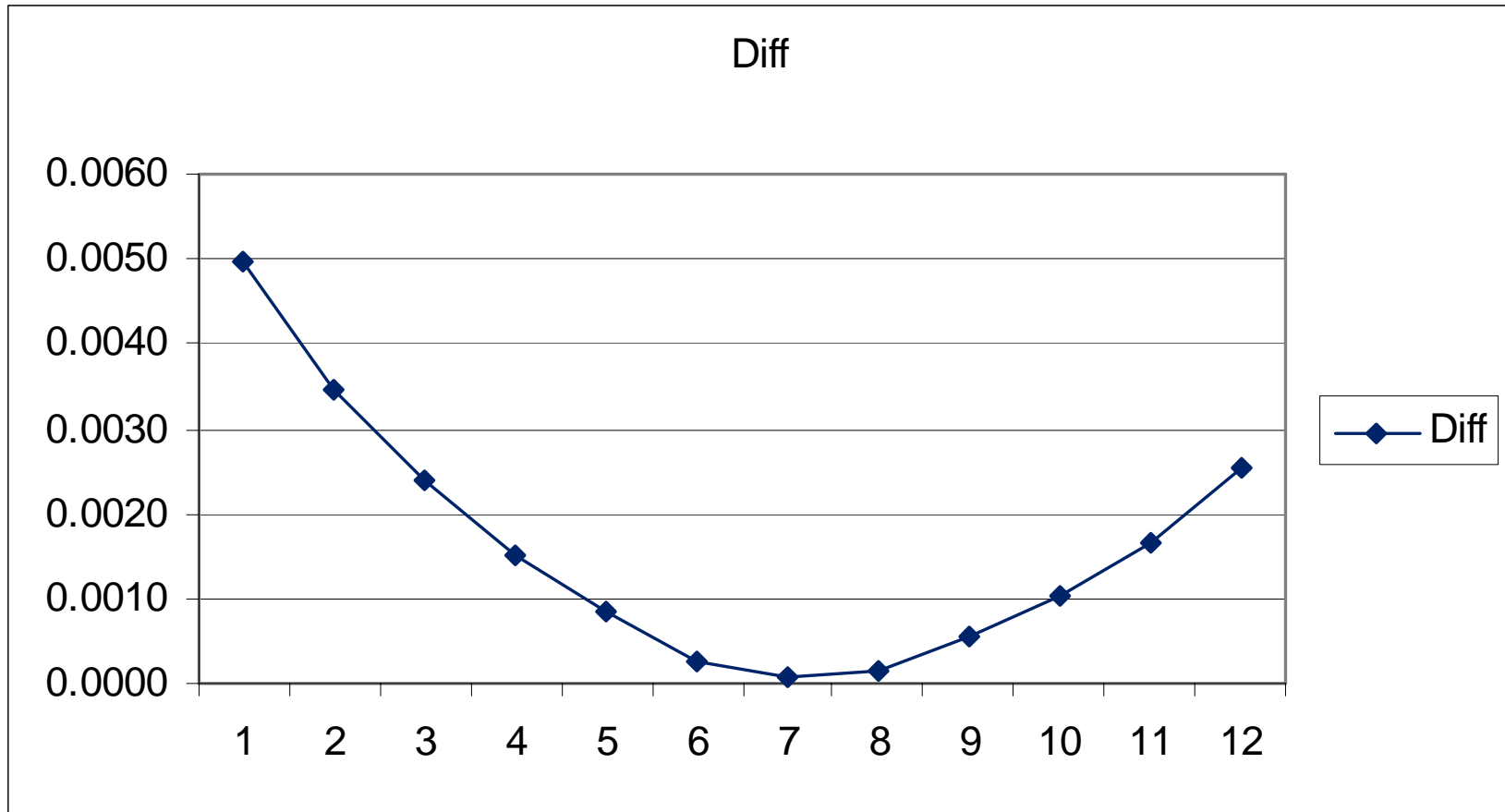


Fig 10: The errors as a function of the strike for the 20-year expiry reported in Fig 5.

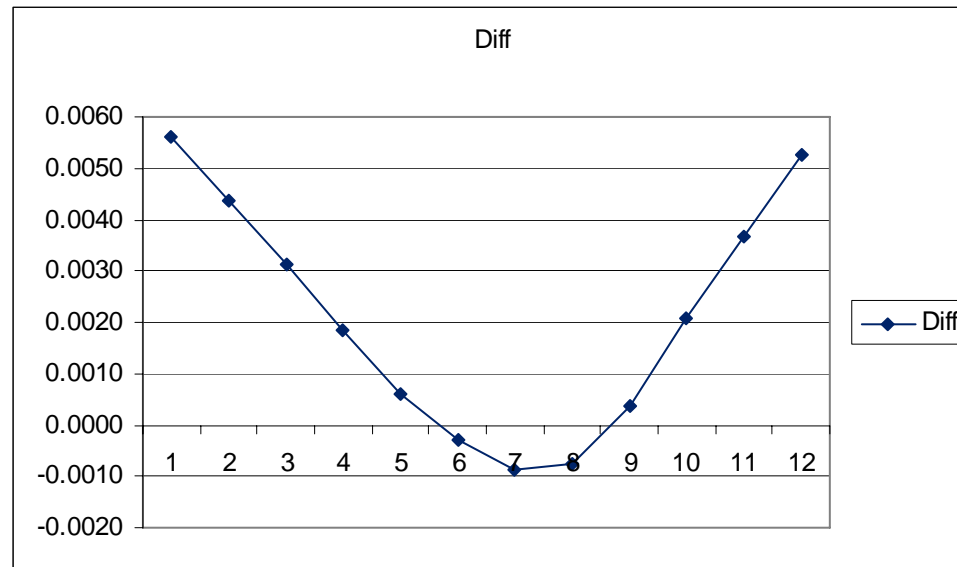


Fig 11: The errors as a function of the strike for the 30-year expiry reported in Fig 6.

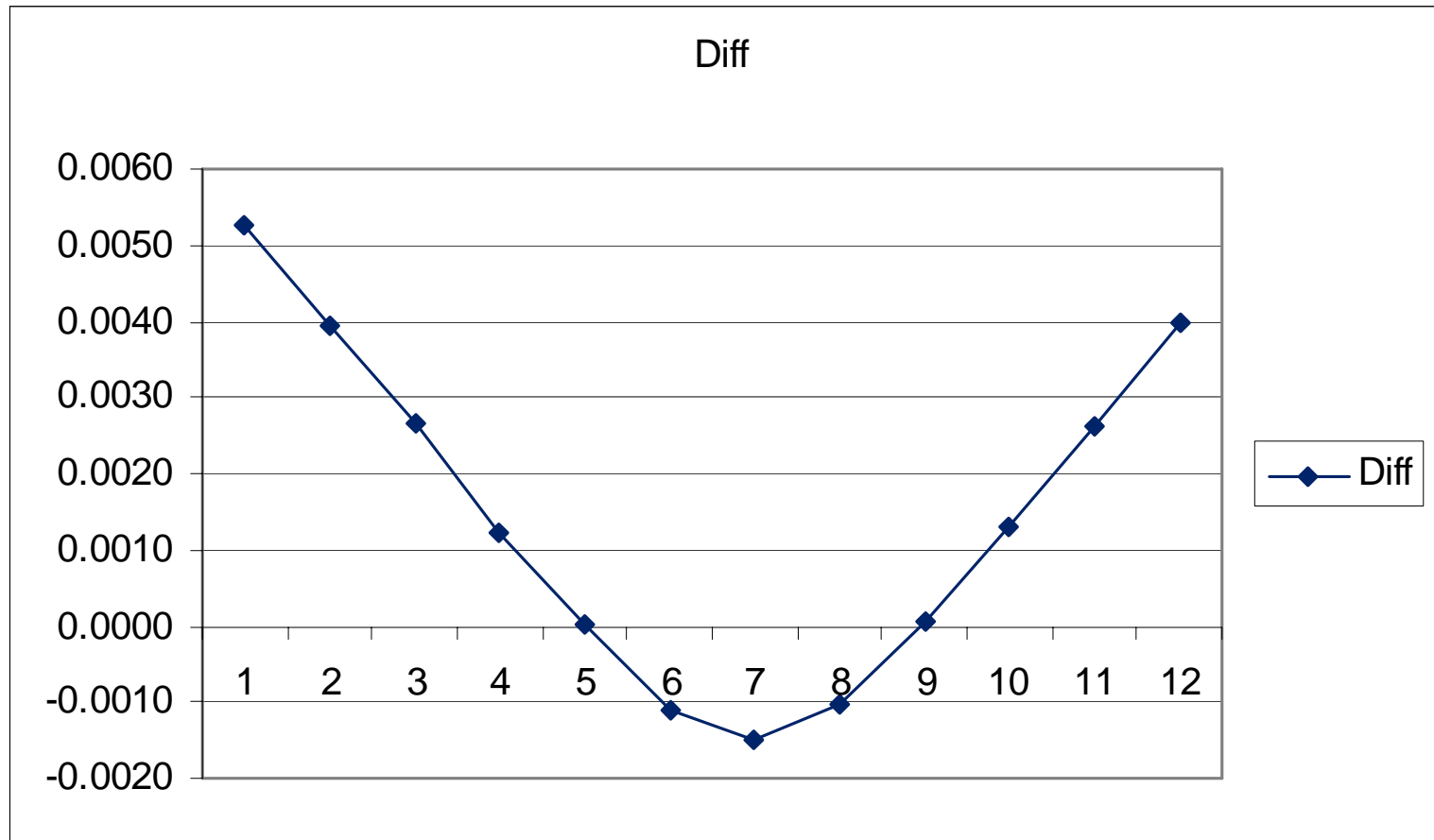


Fig 12: Matching Sq integrated variance. 5 yr, 50% vol of vol Corr -0.3, beta= 1.

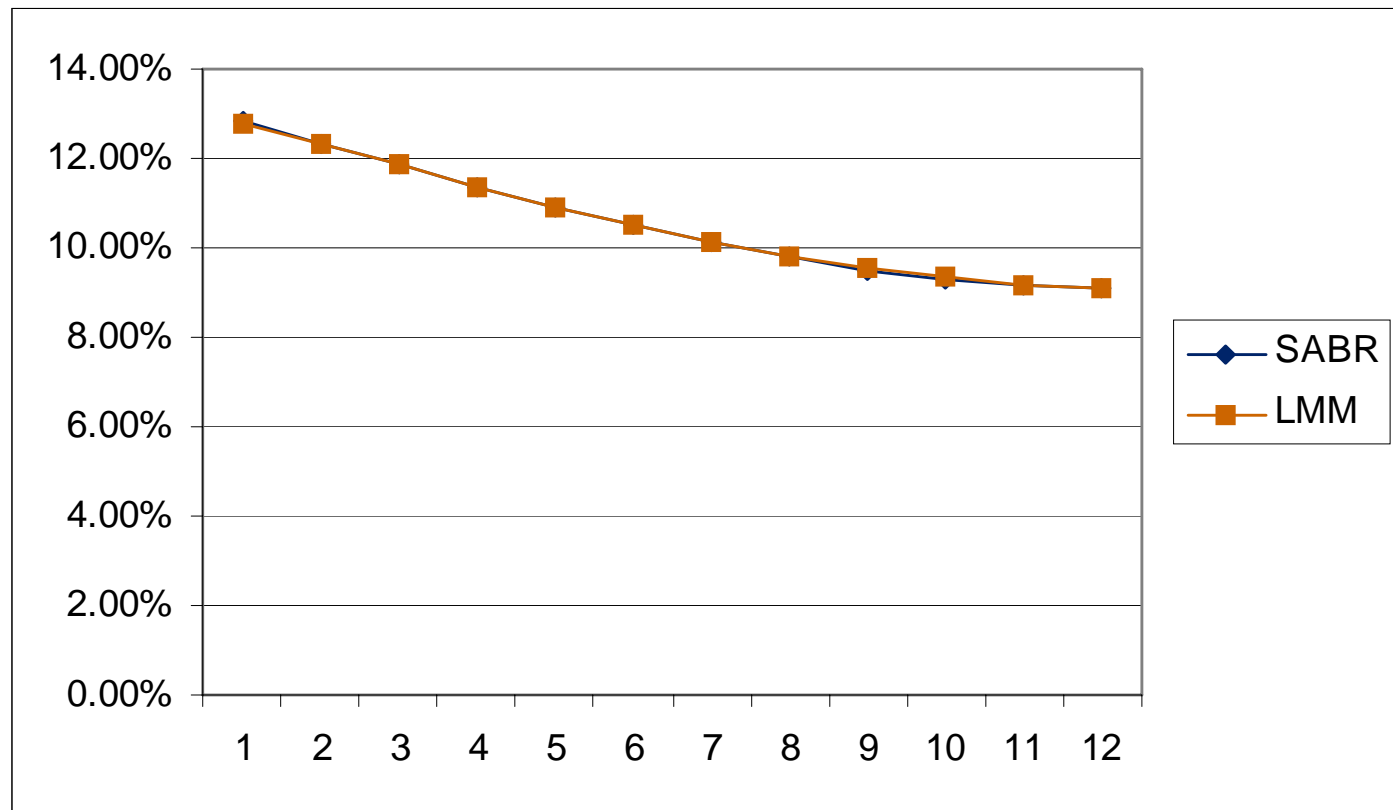


Fig 13: Variation of the SABR correlation coefficient as a function of expiry (27-Jan-2007)

