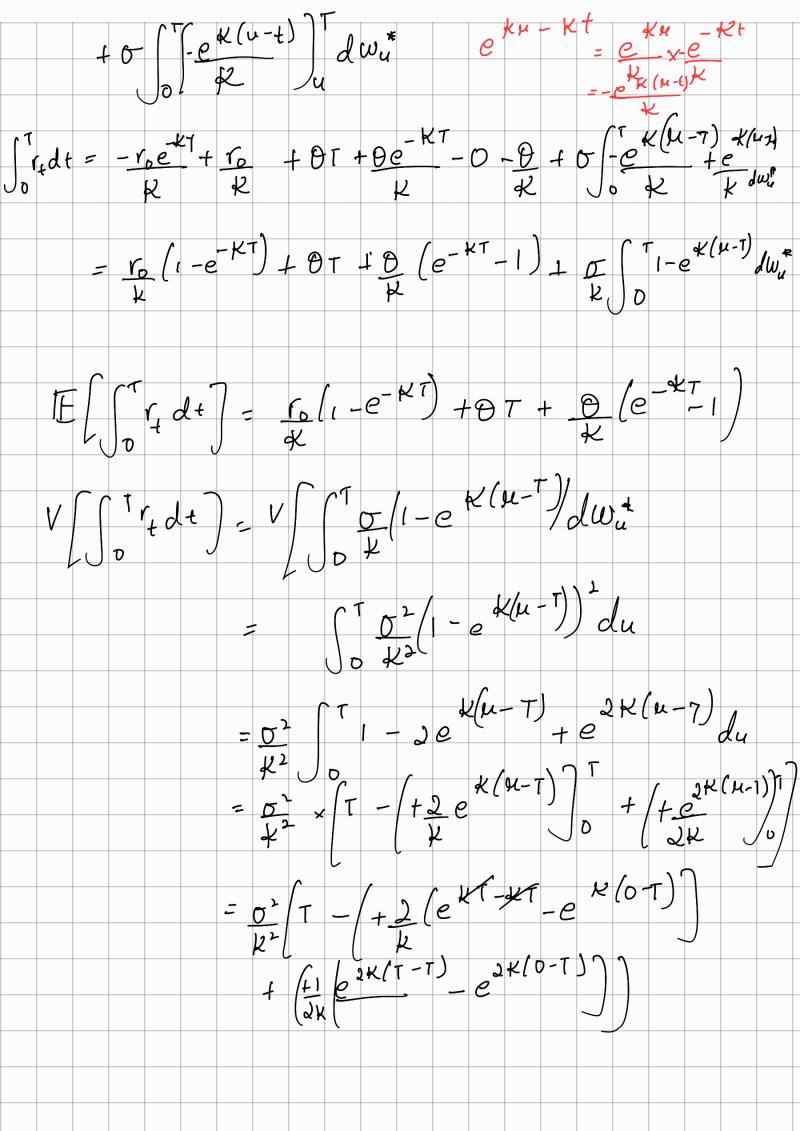


 $D(+,T) = \mathbb{E}^* \left[e^{-\int_{+}^{T} r_u du} \right]$ $= E^* \left[e^{-(t_{+}|\tau-t)} + \mu(\tau-t)^2 + \int_{t}^{\tau} \sigma(\tau-u) dw_{u}^{k} \right]$ $= e^{-(t_{+}|\tau-t)} - \mu(\tau-t)^2 + \int_{t}^{\tau} \sigma^2 \frac{(t-t)^3}{3}$ $= e^{2(\tau-t)} - \mu(\tau-t)^2 - C_{t}(\tau-t)$ $= e^{2(\tau-t)} - \mu(\tau-t)^2 - C_{t}(\tau-t)$ $A(t,\tau) = \frac{1}{2}\sigma^{2}(\tau-t)^{3} - \mu(\tau-t)^{2} = -\mu(\tau-t)^{2} + \sigma^{2}(\tau-t)^{3}$ c. Affine models are linear functions with a constant. The above is an affine model with rB(+,T) as the linear func and Alt, T) as the constant. J. $dr_{\perp} = k(\theta - r_{+})dt + d\sigma dw_{+}^{*}$ $r_{\perp} = r_{0}e^{-kt} + \theta(r_{-}e^{-kt}) + \sigma\int_{0}^{t} e^{k(u-t)}dw_{u}^{*}$ of ride = of rie kt d+ f or of the condension of $\int_{\sigma}^{\tau} f(dt) = \int_{-r_{0}}^{-r_{0}} e^{-rt} \int_{0}^{\tau} \int_{0}^{\tau$ $\int_{0}^{T} r_{t} dt = \left(\frac{-r_{0}e^{-\kappa T}}{\kappa}e^{-\left(\frac{-r_{0}e^{-\kappa T}}{\kappa}e^{-\kappa T}\right)}\right) + \theta\left(T + \frac{e^{-\kappa T}}{\kappa}e^{-\kappa T}\right) - \theta\left(0 + \frac{e^{-\kappa T}}{\kappa}e^{-\kappa T}\right)$



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