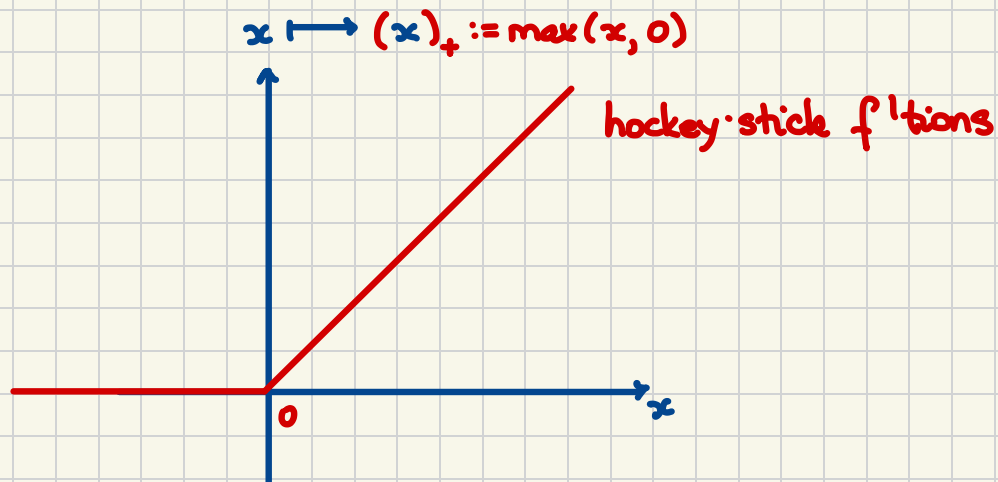


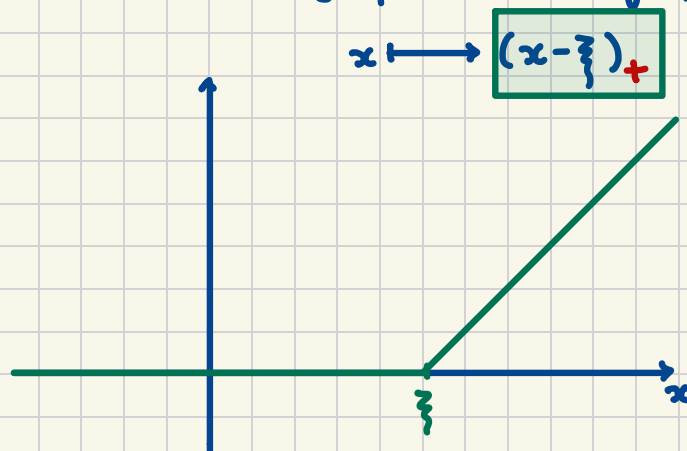
M339G: February 16th, 2026.

Linear splines.

Positive Part Function.



Example. For any $\xi \in \mathbb{R}$, let's graph $\zeta(x_i)$



Useful:

- Deductibles
- Payoff a call/put
- Hinge loss

Using the positive-part functions as basis functions.

