

References

but may also partially be due to the fact that our definition of $P_{(t,T]}^{(P)}(\chi)$ does not match reality accurately, see Remark [1.1](#). The given costs due to cash parking arise from non-invested cash that lies on overnight deposit accounts that cost around 78 bps per annum in the considered time period. Fees include management fees (50 bps per annum) and performance fees (20% of performance exceeding 3M Euribor), and other costs comprise things like deposit charges and taxes. All presented numbers are approximate values.

References

[Mai (2019)] J.-F. Mai, Pricing-hedging duality for credit default swaps and the negative basis arbitrage, *International Journal of Theoretical and Applied Finance* 22:6 (2019).