EduMarkets

Prime Brokerage Simulation

Learn prime brokerage *by running a PB desk.*

New joiners in prime brokerage routinely learn margin mechanics, financing rates, and stock borrow protocols long before experiencing the pressure of a stressed market. Pricing counterparty risk, interpreting partial multi-PB disclosures, and executing close-outs during a market shock traditionally require years of desk experience.

The EduMarkets Prime Brokerage Simulation is a trainer-led, multiplayer simulation bringing counterparty credit risk and PB desk management into the classroom. Working in competing prime brokerage teams, participants price financing terms, compete for fund balances, issue margin calls, and manage multi-billion dollar client exposures without real capital at risk.

The prime broker experience

Each team operates an independent prime brokerage business competing for institutional fund balances. Financing terms, margin haircuts, and client service parameters are set collectively, forcing teams to navigate critical trade-offs with no single correct answer:

- **Competing for Balances:** Clients allocate PB balances based on commercial terms, where the most aggressive leverage offers frequently attract the highest-risk accounts.
- **Navigating Partial Information:** Each prime broker sees only its direct exposure and must assess a client's total leverage from incomplete information.
- **Real-Time Risk Execution:** Adjust margin haircuts, issue margin calls, and approve capacity and securities locate requests under time pressure.
- **Managing Client Close-Outs:** Structure liquidation strategies, balancing speed of execution against market impact across the industry.

Client coverage

01 **Multi-Manager**
Price financing and margin for a large cash and swap account.

02 **Single-Manager Hedge Fund**
Set margin and fill securities locates for a specialist long/short equity fund.

03 **Family Office**
Set margin and swap terms for a client that mainly trades through equity swaps.

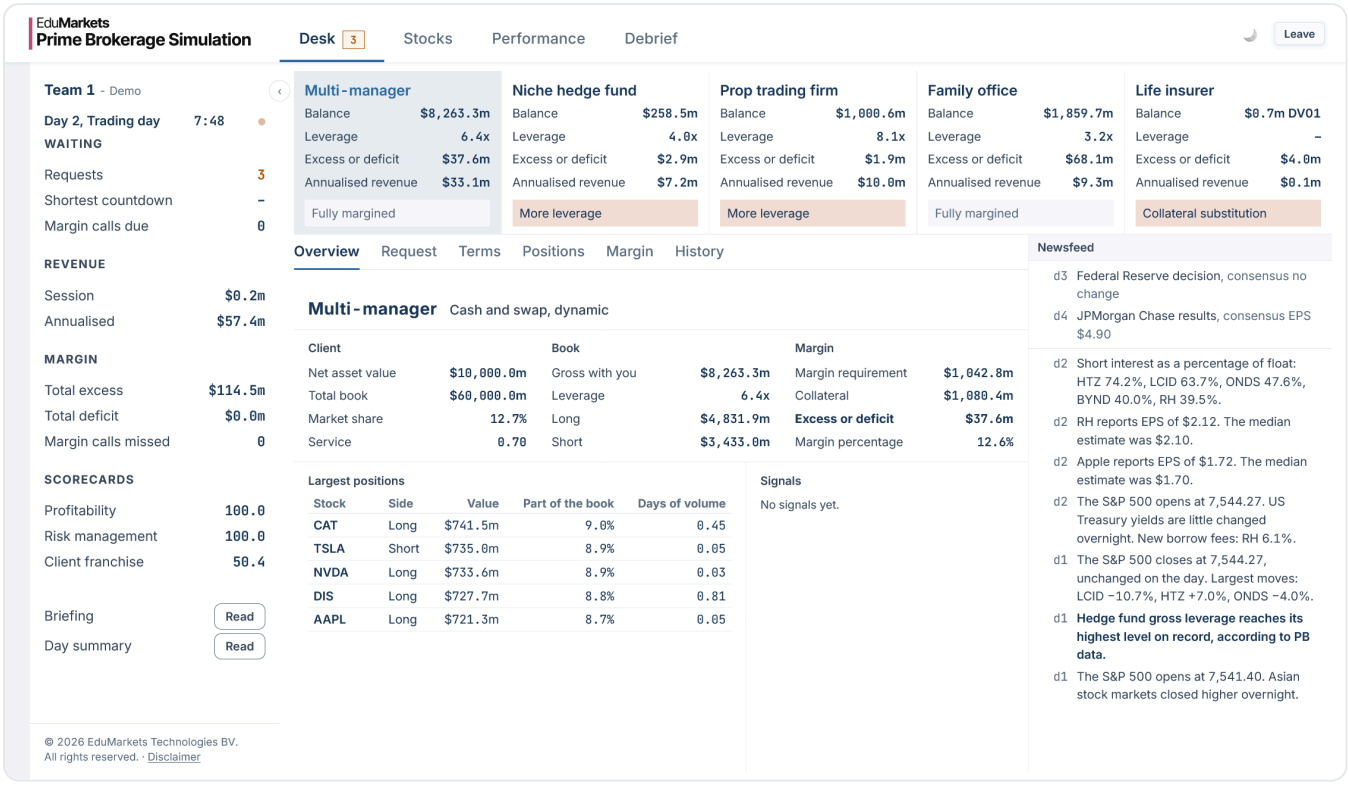
04 **Prop Trading Firm**
Set the intraday limit and the fee on volume for an active trading firm.

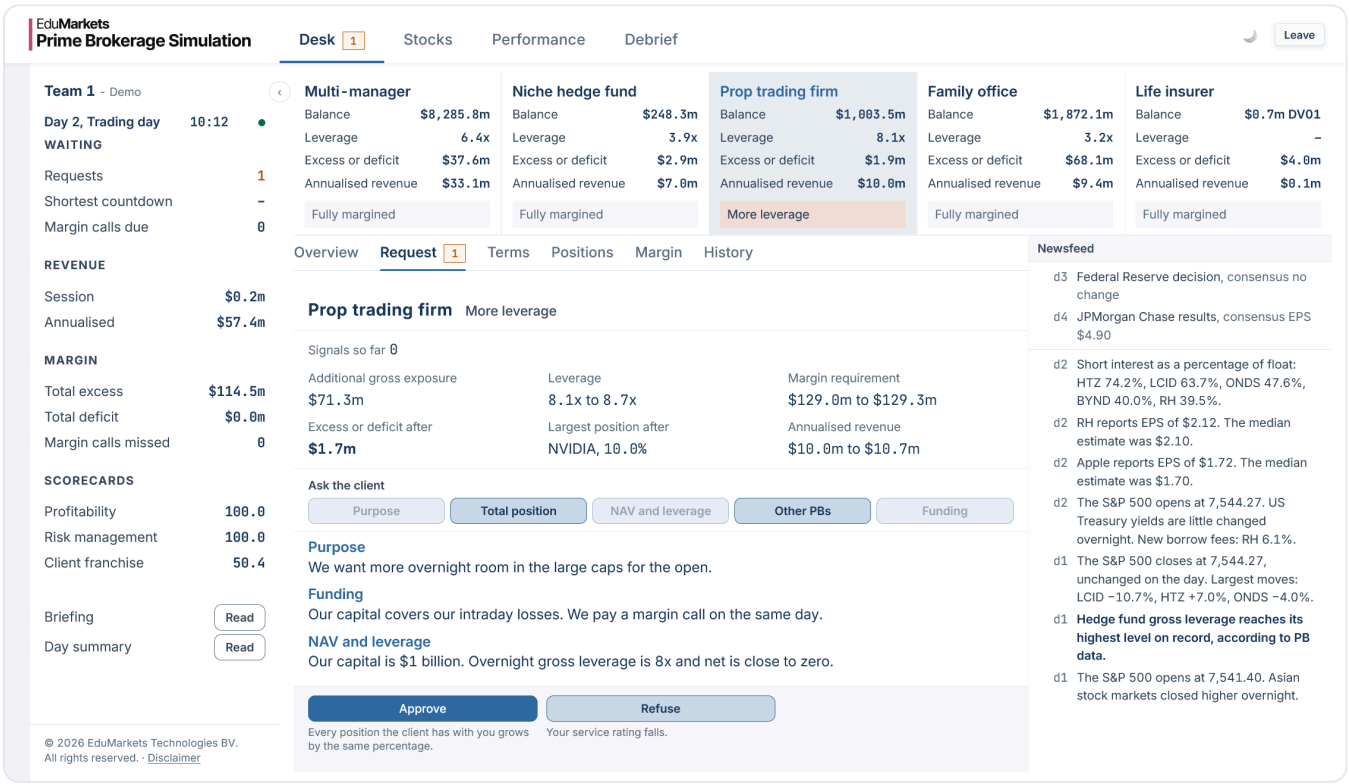
05 **Life Insurer (Optional)**
Clear interest rate swaps and set variation margin terms for an insurance client.

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Participants step onto the PB desk having already priced counterparty risk, managed liquidity shocks, and executed complex client close-outs.





Core learning outcomes

01 **Risk Pricing & Commercial Selection**

Aggressive margin terms win client mandate volume but concentrate tail risk. Participants balance interest income against counterparty exposure, learning how years of financing fees can be lost on a single client.

02 **Counterparty Diagnostics Under Partial Visibility**

Prime brokers rarely possess total position visibility. Participants develop the diagnostic intuition to spot warning signals, including concentration spikes, capacity requests, and excess margin withdrawals.

03 **Margin Dynamics & Intraday Controls**

Static equity swap margin haircuts erode rapidly during directional market moves. Participants experience why end-of-day margin checks leave firms exposed to intraday trading spikes and why credit limits require real-time risk controls.

04 **Securities Lending & Short-Squeeze Risk**

Borrow fees are heavily concentrated in hard-to-borrow names. Participants see how locate approvals, lender recalls, and forced buy-ins imperil highly profitable client relationships during a short squeeze.

05 **Orderly Close-Out & Market Impact**

Total liquidation loss depends on the combined effect of initial margin coverage and liquidation velocity. Participants learn why aggressive liquidations can trigger broader market disruption and how sudden credit tightening can accidentally force a client into financial distress.

What sets EduMarkets apart

- **Integrated Business Mechanics:** Financing, margin haircuts, stock lending, client service, and risk management operate within a single interconnected model where decisions in one desk area immediately impact firm-wide performance.
- **Shared Liquidity Pool:** All prime brokers operate in a unified market environment. Liquidations executed by one team immediately shift secondary market prices for all competing teams, and margin requirements at the next close.
- **Detailed Debriefs:** Post-session debriefs show day-by-day timelines and team-by-team close-out comparisons alongside detailed printed reporting.
- **Full Trainer Authority:** Facilitators select client profiles, manage scenario velocity, can trigger a stress event, and analyze cross-team performance using structured daily talking points.
- **Zero-Friction Enterprise Deployment:** 100% browser-based with no software installation or participant account creation required.

Experience it live

Transform how your institution teaches prime brokerage and counterparty risk. Schedule a live demonstration of our Prime Brokerage Simulation today.

Request a demo →

info@edu-markets.com
edu-markets.com