Release Information

Allocare AMS
Release 6.9

I. Copyright

II. Additional Comments

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III. Contents

1. Introduction

This release information describes the most important items delivered by Allocare AMS Release 6.9.

The delivery of the software releases is handled via support or project managers. For additional information regarding functionality please contact our support:

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2. System Requirements

2.1 Operating Systems

In Allocare AMS Release 6.9 the following operating systems are supported:

- Windows NT 4.0 SP6 or higher
- Windows 2000
- Windows XP Professional, SP2 recommended
- Windows Server 2003 as server operating system running Microsoft SQL Server or Internet Information Services

2.2 Database Management Systems

Allocare AMS Release 6.9 will run on:

- Microsoft SQL Server 2000 (SP3 or SP3a are required, and SP4 is supported)
- Microsoft SQL Server 2005 (SP1 required)

Note: Microsoft SQL Server 2000 SP 4 and SQL Server 2005 will not run on Windows NT 4.0.

For Allocare AMS 6.9, additional disk space is required on the database data file and on the database log file. About 50% of the size of table 'TimeSeriesValue' is additionally required. This size can be found with the help of the Allocare AMS System stored procedure 'sp_space'.

2.3 Web Servers

Allocare AMS Web Release 6.9 will run on Microsoft IIS 6.0. ASP.NET 1.1 (Microsoft .NET Framework 1.1) is required.

2.4 Web Browsers

In Allocare AMS Web Release 6.9, the following browsers are supported:

- Microsoft Internet Explorer version 6.0
- Browsers fully supporting Mozilla version 1.0 up to 1.8.0.6, e.g. Netscape, Firefox

Note: The supported upper version can now be configured in the Allocare AMS configuration file. As long as a newer version is backward compatible, only the configuration file needs to be changed.

3. New Allocare AMS Functionality

3.1 Portfolio Optimisation

3.1.1 General

Mean-variance optimisation (Markowitz model) for client portfolios is now available in Allocare AMS Portfolio. The functionality in Allocare AMS 6.9 is based on five years of monthly historical returns for individual investments or indices to optimise portfolio risk and return. The system allows to either optimising portfolio returns for given levels of risk or to optimise portfolio risk for given levels of return.

The integrated tool calculates and displays efficient curves containing the optimised portfolios. All optimised portfolios can be analysed in the optimisation tool and in the analysis tree and can be compared to the initial portfolio. Orders can be generated for the optimised portfolios. Reports describing the optimisation are available.

3.1.2 Functionality

Main functionalities are:

- **Optimisation of a single portfolio:** Starting with a single portfolio in an optimisation worksheet the system produces optimal portfolios under very general restrictions. These restrictions allow predefining for any subportfolio the size and number of markets or investments, the number of buys or sells created, the minimal transaction size, the maximal turnover. Buy and sell universes can be defined. Cash in- or outflows can be integrated into the optimisation. Results are risk, return, VaR, and Sharpe Ration before and after the optimisation.
- **Switch of investments or modules:** The portfolio is optimised by replacing one investment or module by another investment or module ("switch") under predefined restrictions.
- **Screening portfolios:** A template containing detailed optimisation definitions (e.g. asset allocation shifts or switch definitions) with target levels of return or risk can be applied to a list of portfolios (e.g. in a portfolio list or in an inventory enquiry). The system calculates one optimised portfolio in an optimisation worksheet for each portfolio from the list. In a worksheet list risk and return before and after the switch are visible.

3.2 Trade Order Management

- **FX-Options:** When entering an FX-Options order, the new investment is automatically created with all necessary features based on the entered data. An existing position can be closed out directly from an order list. The opened the FX-Options order editor can be used as input assistant. Exercising or expiry an FX-Options order from an order list automatically creates the related transaction.
- **Mass Change:** Update of multiple orders in the Order list is now possible also for the fields 'Validity' and 'Settlement Currency' (with automatic account selection), and for all comment fields.

3.3 Analysis Tree / Matrix

- A special icon is displayed on containers that enclose orders.
- **Attribute load on demand:** It can be set that not all attributes are loaded automatically. The new option is available to speed up data retrieval in Tree or Matrix.

3.4 Portfolio Editor

All portfolio segment fields are now available for mass change updates in the portfolio list.

3.5 Method Calculation

- **VaR:** All methods VaR HS have been changed. Historical changes of underlying volatility are considered when simulating options prices; the current volatility is adjusted to these historical %-changes.
- **Duration Next:** The method 'Duration Next' can be calculated for floaters without maturity.
- **Gross TWR Attribution:** The system supports a global setting in the database where a policy to be used for attribution can be set. Therefore TWR attribution can be reconfigured to a net, gross or customised attribution.
- **Performance Attribution with Zero BM Weight:** Investing outside of the benchmark will result in the allocation effect.

3.6 Transactions

- **Transaction Numbering:** References for transactions can now be generated so that each transaction has a unique reference and all references are consecutively without gaps.
- **Trade Time:** The system can enforce the user to input trade time.
- **Accrued Interest in Exercise or Assignment:** The transaction GUI allows entering an accrued interest amount for the underlying investment.

3.7 Allocare AMS Web

- **Transactions:** In all transaction lists, new columns displaying trade date, value date, transaction date, and nominal are optionally available.
- **Scrolling:** For pages containing lists, the size of the vertical scrolling functionality can be configured.
- **Decimal Places for Nominal Values:** In the settings, the user can define how many decimal places will be displayed for nominal values.
- **Inventory and Unrealised G/L Pages:** A new column for the identifier system set in the user preferences has been added.

3.8 Interfaces

- A new version 4.0 of GDF has been integrated. Portfolio identifiers are now supported for import and export.
- In UAL PicLink and BaerLink automatic order matching is available.
- In UAL FX-Spot and FX-Forward transactions are imported by using the original transaction type ('Purchase', 'Sale'). In older versions of UAL all these transactions were mapped to 'Purchase' only.
- In UAL a new flexible mapping of portfolios, custody accounts and accounts is available.

3.9 System Performance

- **Database:** The data model and stored procedures have been enhanced for better performance and scalability. Support for low bandwidth networks has been improved.
- **Application:** Parts of the interface to the database have been optimised for speed improvement in the Analysis Tree / Matrix and in TWR / MWR calculations.

3.10 Database

- **Reconciliation Tool:** A DTS reconciliation tool with defined input file layout to reconcile positions in the Allocare AMS database is available (has to be configured).
- **Allocare AMS Monitor:** An internal tool is available which visualises processes and locks on the Allocare AMS database.

3.11 Installer

The installer and Allocare AMS executables are now digitally signed with a certificate.

4. Pre-Advice

4.1 Supported Operating Systems

Allocare AMS 6.x will be the last releases supporting Windows NT4 and Windows 2000. Starting with version 7.x only the following operating systems will be supported:

- Windows XP Professional (SP2) for the workstations
- Windows Server 2003 (SP1) for the servers

4.2 Supported Web Servers

For Allocare AMS Web an upgrade to ASP.NET 2.0 (Microsoft .NET Framework 2.0) is planned for version 7.x.