Release Information

Allocare AMS

Release 7.3

Allocare AG • Kantonsstrasse 3 • CH-6246 Altishofen
Tel. +41 62 748 65 65 • Fax +41 62 748 65 66 • www.allocare.com

Copyright and Comments

Contents

1. Introduction

This release information describes the most important items delivered by Allocare AMS Release 7.3.

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

Phone: +41 62 748 65 55

Fax: +41 62 748 65 59

Mail: support@allocare.com

2. System Requirements

2.1 Operating Systems

In Allocare AMS Release 7.3, the following operating systems are supported:

- Windows XP Professional
- Windows Server 2003 as server operating system running Microsoft SQL Server or Internet Information Services (SP1 required for SQL Server installation)

2.2 Database Management Systems

Allocare AMS Release 7.3 will run on:

- Microsoft SQL Server 2000 (SP3 or SP3a are required, and SP4 is supported)
- Microsoft SQL Server 2005 (SP2 required)

2.3 Web Servers

Allocare AMS Web Release 7.3 will run on Microsoft IIS 6.0. ASP.NET 2.0 (Microsoft .NET Framework 2.0 is required).

2.4 Web Browsers

In Allocare AMS Web Release 7.3, the following browsers are supported:

- Microsoft Internet Explorer version 6.0 up to 7.0
- Browsers fully supporting Mozilla version 1.0 up to 1.8.0.6, e.g. Netscape or 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 Mortgage-Backed Securities (MBS) and Inflation Index-Linked Bonds

The index ratios for Inflation Index-Linked Bonds and the factors from Mortgage-Backed Securities prepayments can now be modelled in Allocare AMS. Factors for nominal, price, accrued interest, and redemption are used. The AMS system has been adapted to the usage of these factors in valuations, transactions, and reports. Orders have not been adapted in release 7.3.

Functionality of MBS and Inflation Index-Linked Bonds and adaptations made in Allocare AMS can be specified as follows:

- **Storing factors in time series:** Factors for nominal, price, accrued interest, and redemption can be stored in investment object time series. For each investment type, the individual usage of such time series can be defined if required.
- **Adjusted methods:** The existing methods 'Nominal/Quantity', 'Clean Price', 'AI%', 'Cash Price', and 'Value' have been adjusted to factors based on these individual investment type definitions.
- **New methods:** New methods 'Nominal (Unadjusted)', 'Clean Price (Unadjusted)', and 'Cash Price (Unadjusted)' have been introduced.
- **Modified transactions:** Transactions for trades, interest payments, and maturity payments have been adapted (display of factors and modified calculations for valuations and proceeds).
- **New transaction 'Maturity (Cash)':** A new transaction 'Maturity (Cash)' is available for the repayments of MBS (e.g. monthly).
- **Bond methods:** All bond methods have been adapted for MBS and Inflation Index-Linked Bonds. Bond method calculations for MBS are based on a (parameter based) PSA model. For Inflation Index-Linked Bonds, they are based on an underlying inflation index and its expected inflation rate.
- **Reports:** Reports have been adapted to the new factor logic. Standard AMS inventory reports display unadjusted nominal and unadjusted clean prices in a second row if necessary.
- **Updated GDF:** The GDF interface has been updated to follow the new data requirements.

Further, a new user manual is available that describes the functionality of Mortgage Backed Securities (MBS) and Inflation Index-Linked Bonds in Allocare AMS.

3.2 Portfolio Optimisation

- **Screening Portfolios:** When screening portfolios for optimisation, results information about missing data or other error messages are no longer popped up during screening. Instead, an error list is displayed at the end of the screening process.
- **Asset Allocation Constraints:** Portfolio linked asset allocation constraints are considered during optimisation.
- **Universe:** Inactive investments from the optimisation universe or from buy/sell modules are not considered for optimisation.

3.3 Trade Order Management

- **Orders from Tree:** The start status of orders created from the analysis tree is now configurable using the code value category 'Order Group'.
- **FX Forwards/Swaps:** When transactions are created from FX Forward or FX Swap orders, the trade and settlement comments will be written into Exercise or Assignment transactions.

3.4 Portfolios

- **Portfolio Descriptions:** It is now possible to enter a portfolio description in different languages. This can be useful for the definition of a report header (see *3.7 Reports*).
- **Tab PPS Fee:** A new tab 'PPS Fee' can be used for client portfolios or external portfolios and allows the definition of non fee paying or all-in-fee paying mandates.
- **Investment Style, Contract Type:** Code values of the categories 'Investment Style' and 'Contract' can be defined as hidden factors and consequently they are not visible anymore.
- **Drill Down Investment Objects:** All investment objects which use a selected portfolio as underlying portfolio are displayed in a new list.

3.5 Investments

- **Investment Classifier:** Two new investment classification types have been introduced. They can be used to either classify investments in analogy to industry classifications (by using a multi-language description) or in analogy to ratings (by using a ranking code). Both classifications can be defined as attributes and then be used in derived attributes, patterns, constraints, analysis tree/matrix and reports. The investment object list has been extended to search for and display the new classification types. GDF interface has been extended.
- **Drill Down Portfolio:** Search for investment objects which have an underlying portfolio is now possible. In the investment object list the underlying portfolio can be displayed.
- **Last Price Date:** In the investment list the display of the date of the last price is now possible.

3.6 Transactions

- **Fee type Equalisation:** New fee type 'Equalisation' for offshore und hedge funds is now available.
- **Custody Location in Swap Transactions:** It is now possible to use custody location in the swap transaction GUIs.
- **Maturity (Cash):** 'Maturity (Cash)' is a new transaction which models the (monthly) prepayments of Mortgage-Backed Securities (see *3.1 Mortgage-Backed Securities (MBS) and Inflation Index-Linked Bonds*).
- **MBS and Inflation Index-Linked Bonds:** The transaction GUIs and calculations have been adapted.

3.7 Reports

- **Portfolio Name/Description in Headers:** The system allows defining via system options whether the portfolio name, description (for different languages), or combinations of them will be printed on report headers. It is also possible to steer this functionality via legal entity.
- **Multi Level Drill Down:** In all reports, where one level drill down was supported, drill down can now be extended to further levels (e.g. if an investment has a fund of funds as underlying portfolio).
- **Report GUIs:** The definitions of report GUIs are now stored in the database. Consequently, changes in report GUIs do not require a new release but can be delivered like stored procedures and report files. Migration within the system will be done automatically in release 7.3.

3.8 Methods and Attributes

- **Performance Attribution:** In the performance attribution, the 'Currency Effect' has been adapted to the performance computed with a 'Gross' or 'Client Policy'.
- **New TWR Methods:** New TWR methods 'TWR Local (Client)' and 'TWR Ccy (Client)' have been implemented.
- **Average Coupon:** A new method 'Average Coupon' has been added which is calculated as the weighted sum of individual coupons.
- **Probable Methods for Floaters:** Bond methods with a probable date ('Yield Prob', 'Time to Prob', 'Durations Prob') are now available for floating rate instruments.
- **Spread for Floaters:** The cash flows used for spread calculations are now calculated from the forward rates of the underlying term structure (and discounted with the spot rates).
- **Act/Act(ISDA):** A new interest calculation 'actual/actual (ISDA)' has been defined. The previously existing 'actual/actual' was renamed to 'act/act (ISMA)'.
- **Attribute Relationship Manager:** The portfolio executor role 'Relationship Manager' is now available as attribute and can therefore be used in the Inventory Enquiry or for display method selection in the analysis tree.
- **Derived Attributes Components:** The attributes 'Custody Account', 'Custody Location' and 'Custodian' can now be used within derived attributes.
- **Maturity (Cash):** 'Maturity (Cash)' is a new transaction which models the (monthly) prepayments of Mortgage-Backed Securities.
- **MBS and Inflation Index-Linked Bonds:** Existing methods have been adjusted to factors based on individual investment type definitions and new methods have been introduced (see *3.1 Mortgage-Backed Securities (MBS) and Inflation Index-Linked Bonds*)

3.9 Allocare AMS Web

- **Asset Allocation Module:** On the Asset Allocation Custom page, the filter drop down box has been replaced by 'Asset Category'. The user can choose to display all asset categories or only equities or bonds.
- **Searching in grids:** Keys Ctrl + F allow now to search within data grids.
- **Settings:** A new setting is available which allows defining the display mode for the investment object description (short description, long description, identifier system, or combinations of them). The setting is valid for AMS Web pages and AMS Classic.
- **Performance module:** Aggregations are now supported.
- **Asynchronous pages:** Allocare AMS Web has been upgraded to .NET 2.0. All Allocare AMS pages have been modified to work asynchronously which improves scalability.

3.10 Executive

- **Log file:** The following information will now additionally be shown in the log file: Program path and version, timing information for each job item, effective database, server, and user name.

3.11 Interfaces

- **PSN (new SWIFT CS Data feed):** Handles loading of prices (VA02, VAA2, VA03), trades (MT515), dividends/interests (MT566), and cash movements (MT900/910).
- **GDF:** In GDF, for MBS and Inflation Index-Linked Bonds a new layout (4.1) exists for transactions (P11). Consequently, the fields 'Nominal Factor' (field 61) and 'Price Factor' (field 62) have been added.
- **GDF:** Extended GDF feeds (P41, P42, P01, P04, P05, P15, P18, P19) have been updated for investment classifiers. Extended request files for AlcExport (R01, R04, R05, R06, R08, R09, R12, R13, R20) with investment classifier are available as well as a new feed P48 ('Legal Entity Classification').
- **GDF:** In GDF, portfolio descriptions can now be added in different languages. This affects P31 and P44

Further information about new GDF functionality is available in the separate documentation *AllocareGDF_Reference_730*.

3.12 Installer

- **Operating systems:** The software can only be installed on the supported operating systems (see *2.1 Operating Systems*).
- **COM Components:** Allocare AMS specific COM components are now deployed registry free using an application manifest.

4. Pre-Advice

4.1 Supported Operating Systems

Starting with version 7.9, the following operating systems will be supported:

- Windows XP Professional (SP2) for the workstations
- Windows Server 2003 (SP1) as server operating system

Windows Vista compatibility is currently investigated.