

Release Information

Allocare AMS

Release 7.9



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1. Introduction

This release information describes the most important items delivered by Allocare AMS release 7.9.

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. New Functionalities – Overview

2.1 Holiday Calendar

Holiday calendars are now part of Allocare AMS and can be created, updated, and deleted in the system. A calendar can be linked to countries, currencies, investments, exchanges, custodians, counterparties, and brokers.

In Allocare AMS 7.9, holiday calendars are used when calculating coupons for floating rate instruments and swaps. In Allocare AMS 8.3, the corporate action module will depend on the holiday calendar functionality.

2.2 Currency Forward Rates

Currency forward rates are supported and can be loaded into ask, mid, and bid time series. The periods of these forward rate time series can be freely defined per currency. The time series editor has been extended and the graph tool supports the display of the forward rate curves. Further, currency forwards can be evaluated based on these forward rates.

2.3 Realised G/L in Analysis Tree

The realised G/L methods have been available only in reports up until now. As from now, they are calculated in the analysis tree for any subportfolio.

2.4 Generate Investment Details

The system has been extended to calculate new investment details in the application and via batch tool. As a first step, floating interest rates can be calculated for floaters or swaps.

2.5 Issuer Extensions

In addition to the existing issuer types, 'Issuer' and 'Guarantor', new ones can freely be generated via the code value editor. For each issuer type, an issuer can be linked to the investment. The link will be historised. The investments inherit then automatically all existing ratings, industry classifications, classifiers, and rankings from the issuer via this issuer type.

2.6 New Graphic Tool

The graphic tool ChartFX has been integrated into Allocare AMS and replaces the previous tool GigaSoft PE. In Allocare AMS Web, ChartFX .NET has already been integrated before.

3. New Functionalities – Details

3.1 Portfolios

- **Import of allocations:** The allocations of another portfolio can be copied when editing new allocations of a model portfolio, benchmark or module.

3.2 Investments

- **Issue price:** The issue price of an investment is automatically written into the closing time series of the investment if there is no price at this issue date or before this date.
- **Issuer:** For each issuer type, a separate legal entity issuer can be linked to the investment. All links will be historised. The tab ‘Issue’ has been adapted to the new functionality.
- **Constant Maturity Swaps (CMS):** The extension of the floating rule logic and an upgrade to the newest FinCad release allow the support of CMS investments and the corresponding method calculations.
- **Generate Investment Details:** From the investment list, a command ‘Generate Investment Details’ is available. Based on holiday calendar, business day convention, fixing delay, floating rule, and the reference rate’s interest rate at fixing date, new floating rates are calculated for the selected period.

3.2.1 Interest Definition

- **New field ‘Business Day’:** This field is used when calculating floating rates for investments. The following rules are implemented: ‘Payment on Actual Date’, ‘Preceding’, ‘Preceding Modified’, ‘Succeeding’, and ‘Succeeding Modified’.
- **New field ‘Payment Delay’:** This field specifies the delay of interest or maturity payments, for example for mortgage backed securities.
- **New field ‘Fixing Delay’:** This field specifies the number of business days to calculate the fixing date of a floating interest.
- **New day count calculations:** Day count calculations which are considered to be not End of Month (not EOM) have been introduced. The corresponding EOMs already exist in the system.
- **Floating rule:** The formula has been extended as follows:
$$\text{Margin} \pm A_1 * \text{RefRate}_1 \pm A_2 * \text{RefRate}_2$$
where A_1 and A_2 are constants and RefRate_1 and RefRate_2 are underlying interest rates.
For example, for ISIN DE0001615557 the interest rate is calculated as follows:
 $9.05 * (30\text{-Year-CMS} \text{ minus } 2\text{-Year-CMS})$
- **Cheapest to deliver bond for futures:** A new feature ‘Cheapest to Deliver’ allows to define a bond which is considered as cheapest to deliver bond. All bond method calculations for the future are then based on this cheapest to deliver bond. The conversion factor for this cheapest to deliver bond can be entered in the feature and is considered for method calculation.

3.3 Transactions

- **New transaction types:** New types 'Incentive Given' and 'Incentive Received' are now available. They model the distribution or withdrawal of incentive shares for hedge funds.

- **Interest Rate Swaps:** The GUI for swap transactions supports entering floating rule interest definitions for the floating leg of the swap.
- **Transaction list:** Fields can be optionally summed up for all (or selected) transactions from the list.

3.4 Trade Order Management

- **Forward Buy / Sell commands:** The commands ‘Forward Buy Position %’ and ‘Forward Sell Position %’ take into account existing currency forwards. The new currency forward is then calculated based on the difference between target %-value and already hedged %-value. During the calculation, values (gains or losses) of existing currency forward positions are also considered.
- **Order list:** Fields can be optionally summed up for all (or selected) transactions from the list.

3.5 Analysis Tree

- **Realised Gain/Loss enhancements:** The methods ‘AV Real G/L’, ‘AV Real G/L %’, ‘AV Real G/L Local’, and ‘AV Real G/L Local %’, which calculate realised gains and losses in reference currency and local currency for a given period, are available in the analysis tree.
- **Floating rule:** The components (‘Margin’, ‘Underlying’, and ‘Factor’) of the floating rule at as-of-date can be displayed as new methods in the tree.

3.6 Methods, Attributes, and Time Series

- **New TWR methods:** To complete the (Portfolio-) TWR methods for return policies, the methods ‘TWR Ccy (Client)’, ‘TWR Ccy (Gross)’, ‘TWR Local (Client)’, and ‘TWR Local (Gross)’ have been added.
- **New TWR Contribution methods:** The new methods ‘TWR Contrib Total (Client)’ and ‘TWR Contrib Total (Gross)’ are now available.
- **Unrealised G/L:** New methods ‘AV Unr G/L FX %’ and ‘AV Unr G/L Local (Ref)’ have been added to the existing method calculations for unrealised gain/loss. The calculations are based on acquisition values.
Methods ‘AV Unr G/L Local (LC)’ and ‘AV Unr G/L Local % (LC)’ calculate unrealised gains or losses in the local currency.
- **Currency forwards:** Depending on code value settings, the valuation (fair value) of currency forwards can be based on forward rate ask, mid, and bid time series. A new method ‘Actual Forward Rate’ shows for each currency forward the actual forward rate at as-of-date until maturity of the currency forward.
- **Time series editor:** The editor supports for each currency new currency forward rates. Time series ‘Forward Rate Ask’, ‘Forward Rate Mid’, and ‘Forward Rate Bid’ are available which contain the forward exchange rate against base currency. The display of cross currency forward rates is supported. The new graph tool supports the display of the new forward rate curves.
- **Option bonds:** For bonds with embedded options (callable, puttable, and convertible), all methods for durations and convexities are computed after removing the value of the embedded option from the clean price.
- **New attributes from issuer extensions:** The new issuer types together with ratings, industry classifiers, classifications, and rankings are available as attributes in the system.

- **RiskMetrics VaR:** For bond funds, the mapping onto Risk Metrics vertices is done with the help of the fund's (modified) duration (which can be entered manually in time series).
- **Weighted sums of methods:** When summing up weights for method calculations, the system allows defining for each investment type whether value % or exposure % is used (e.g. duration of bond futures may contribute with exposure %).
- **P/E Ratio:** A new time series 'P/E Ratio' for importing price to earning ratios is available.
- **Pattern description:** Long descriptions for pattern definitions can be entered.

3.7 Reports

3.7.1 New Reports

- **Performance Overview:** Performance results are displayed with start/end values and flows. Additionally, gain/loss results including earnings, fees, and taxes are shown.
- **Transaction Journal Recapitulation:** The Transaction Journal Recapitulation is similar to a Transaction Journal, but sums up individual movement types like broker fees, PM fees, or taxes.
- **Realised Gain/Loss:** Realised gain/loss results for a portfolio are displayed.
- **Unrealised Gain and Loss (BV, AV) in Inventory:** Market values, acquisition values, and book values are shown together with unrealised gain and losses.
- **Performance SubPortfolio YTD:** For a set of portfolios (e.g. all portfolios from a given portfolio manager) performance figures for the actual month, quarter, and year can be compared (benchmark performance figures included).
- **Performance Overview YTD:** Performance figures for the actual month, quarter, and year can be compared within a portfolio to its subportfolios (benchmark performance figures included).

3.7.2 Extensions for Existing Reports

- **GIPS reports:** The layout has been changed and the reports are now based on actual GIPS standards. Non-fee-paying mandates and all-in-fee-paying mandates are displayed.
- **Fixed Income Attribution (FIA) report:** The residual is displayed if TWR cannot be fully explained by the FIA factors.
- **Multi-level drill down:** This is now supported in asset allocation reports. Rounding differences are added to the position with the biggest value.
- **Standard report header:** Standard report headers contain optionally combinations of 'Portfolio' and 'Description'.
- **Asset Listing reports:** Individual identifier systems as column headers are supported in asset listing reports.
- **Report GUIs:** Parameter dependencies have been integrated into report GUIs. Fields without influence on the selected parameter have been inactivated and cannot be modified or entered anymore.

3.8 Executive

- **Generate investment details:** The functionality to create floating interest rates (3.2 *Investments*) is also possible in a batch job via executive.

3.9 Interfaces

- **Credit Suisse:** A new SWIFT-based interface (PSN) for transactions and prices is available.
- **Lombard Odier Darier Hentsch:** A new interface for transactions has been implemented.
- **Julius Baer:** Amendments to call deposits have been implemented.

3.10 Administrator

- Floating licences can be reserved for users (e.g. technical users in a batch job). This guarantees that technical users of critical jobs are not locked out from the system due to unavailable licences.

3.11 Allocare AMS Web

- **Time zone selection:** A new user setting permits to select the time zone. This affects the displayed time on the page 'Published Reports'.
- **Auto-completion:** All combo boxes support auto-completion now. To find a combo box entry, as many of the starting letters as desired can be typed in.
- **Adaptation of period selection:** Period selection has been adapted for the following pages: 'Evolution of Asset Allocation', 'Return Analysis by Portfolio/Category', and 'Historic Risk/Return Analysis'.
- **New line chart:** A line chart showing performance for each category of the selected pattern has been added to the 'Performance by Category' page in the web application. The performance for portfolio can be compared to the benchmark, the model portfolio, or any other portfolio.

4. System Requirements

4.1 Operating Systems

In Allocare AMS release 7.9, the following operating systems are supported:

- Windows Vista Business is newly supported for workstations.
- Windows XP Professional (SP2) is further on supported for workstations.
- Windows Server 2003 is supported as server operating system running Microsoft SQL Server or Internet Information Services (SP1 required for SQL Server installation).

4.2 Database Management Systems

Allocare AMS release 7.9 will run on:

- Microsoft SQL Server 2000 (SP3 or SP4 required)
- Microsoft SQL Server 2005 (SP2 required)

Note: From Allocare AMS release 8.9, Microsoft SQL Server 2000 will not be supported anymore.

4.3 Web Servers

Allocare AMS Web release 7.9 will run on Microsoft IIS 6.0. ASP.NET 2.0 (Microsoft .NET Framework 2.0 is required).

4.4 Web Browsers

In Allocare AMS Web release 7.9, the following browsers are supported:

- Microsoft Internet Explorer version 6.0 up to 7.0
- Browsers fully supporting Mozilla version 1.0 up to 1.8.1.7, 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.

5. Pre-Advice Allocare AMS 8.3

5.1 Corporate Actions

A new module for the management of corporate actions will be available. The necessary functionality for diary, entitlement, and accounting will be supported.

The module processes the information of data suppliers (e.g. Telekurs), transforms them to Allocare AMS internal corporate events, supervises, and generates automatically the resulting business transactions. The business transactions are adjusted automatically over a matching algorithm with the statements of custodian's settlements.

5.2 Credit Derivates

Credit derivatives (especially CDS) will be supported (investment definition and new method calculations).