CUECENT

CUECENT FPMS
FUNDS & PORTFOLIO MANAGEMENT SYSTEM

Funds and Portfolio Management System

CUECENT FPMS has been designed keeping in view the requirements of today's global institutional investors. With advanced system architecture and outstanding functionalities, the system seeks to automate the investment process across the organization.

The application caters to multiple users, from Investment Managers to accountants and Research Manager, in order to present a unified view of the investment management within the organization. The system's functionality encompasses all aspects of investment management including Trade management, securities management, settlement, accounting, Analysis and reporting all this combined with a user-friendly graphical user interface. Flexible design of the product enables configuration of the system to suit the organization's requirements.

The Application offers unified information access across the organization to help you make smarter decisions, and run your business more efficiently.

Overview

Bahwan CyberTek's CUECENT FPMS is application software designed and developed to provide a total integrated solution for comprehensive Funds and Portfolio Management. Its hierarchy is Company/Fund/Sub Fund/Portfolio/Portfolio Manager with the option of creating Investors.

The system caters to multi fund, multi portfolio scenarios, providing for consolidation of transactions and information at each of the above levels. It is capable of handling a variety of financial instruments including equities, bonds, mutual fund units, money market and structured instruments and foreign currency.

The system provides external interfaces for capturing data from sources such as Reuters, Bloomberg, Data Stream and also External Portfolio Managers and custodians. The system also provides interface for back end financial system and Spread Sheet based applications.

The application is fully workflow driven for transaction entry, validations and approvals and provides audit trail of the transactions with date and time stamp. User defined alerts provides timely information on vital business points.

The Application is based on Oracle 9i Architecture with Windows 2000 as the Platform and Oracle 9iAS Database

Manage investment portfolios

FPMS are an integrated solution for process efficiency and control. The dashboard displays all transactions that are pending for approval and system generated alerts for the user action.

Securities Masters

Markets are now flooded with Financial Instruments of different shades. The users can create Equity Shares, Initial Public Offerings, and a Variety of Fixed Income Securities like Fixed Deposits, Convertible and Non-Convertible Bonds, Certificate of Deposits, Commercial Paper, Treasury Bills, Forex Trades, Repo Transactions. In addition, Security and Index Options, Swaps [including Interest Rates and Currency Swaps], Futures can be created. Investments in Private Equity, Structured Notes and certain others are the Alternative Investments that are built in the Application.

For the Equity Segment, the Dividends, Bonus, Stock Split and Capital Reduction Declarations can be registered and given effect in the Corporate Action Module once they are realized. The same Equity traded in different Stock Exchanges and Currencies is handled by associating them at the entry level. For reporting purposes, they can be shown in one currency.

The users in addition to creating the Coupon Schedules for Fixed Income Securities, they can process the Break up of Deposits on both Partial and Full Withdrawals.

The Futures Module allows the users to create the Initial and Maintenance Margin and an alert message to indicate the Variation Margin to post. The Options Module deals with the Call and Put Options.

Real Estate Investments are processed in terms of creating with all the pertinent details about the Property, Buy and Sell of Properties, Generating the Realized Gains or Losses on the Sale, Rent Receipts, Accounting for Expenses relating to the Investment, Revaluation and the subsequent booking of the Gains generated.

Investment Committee Approval

The Senior Management of an Investment Organization would like to set up Cumulative Limits on the Volume, Value, the Minimum and Maximum Price Limits for each Security that each Portfolio Manager should follow. The Committee Approval Systems set limits on these parameters and a Portfolio Manager cannot process a trade beyond these limits. Alert Messages can be created and can be transmitted when somebody does so.

The module addresses Bonus, Stock Splits Scenarios by internal logic that will allow these Corporate Actions to be affected by raising an Alert Message for the changes to be made in the Committee Approval Systems.

Asset Allocation Policies

The proportional investments between different Asset Classes like Debt and Equity and the Asset Sub Classes like Fixed Deposits, Bonds, Treasury Bills, and Structured Notes can be established. This Asset Allocation would drive analyzing the differential return between the evaluated Portfolio and the Benchmark Portfolio. These policies can be set up either at the Fund or Sub Fund Level. The effective dates for which this will be operative are available.

Guidelines Set Up

A Portfolio Company wishing to limit and monitor the investments made, through various parameters like Currency, Region, Fund or Sub Fund, can do so by establishing the limits in the Guidelines Entry Module and then attach it to a Portfolio Manager. Multiple Guidelines can be set up.

Defining the Types of Counter parties

Functionally Three types are created. The Broker, Banker and the Custodian. Brokers are created with Contact Details and are they Brokers or Broker Custodians. Different Branches can be set up for operational purposes. The Application provides for creating Brokers with different currencies. That Broker Fee Schedule applicable needs to be attached to the Broker with effective dates.

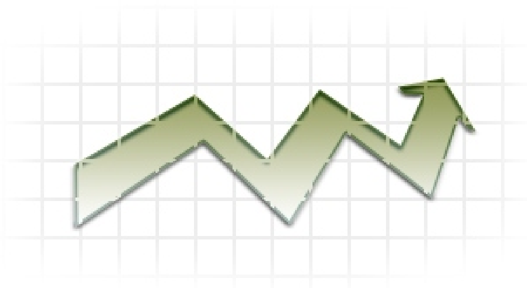
The Banker is defined with the pertinent contact details, which are picked up for Payments and Settlements of the Invoices.

Custodian is the additional piece of Counterparty who can be attached for a particular trade depending on the Market Practice followed in the Region.

Fee Schedule

Users can Brokerage Fee Schedules of different types like Fixed, Cascading, Fixed plus Cascading based on Transaction Value, Market Value. When the Broker who has affected the trade is entered in the Trade Module the Broker Fee is automatically computed and the total cost is immediately captured in the Trade Screen.

Companies employ Portfolio Managers both Internal and External for whom it may have an arrangement to pay a Management Fee. This Management Fee is computed once this is set up in this Module. Management Fee can be computed based on the Average Asset Value for a period, which can be accrued and reversed, for accounting purposes and the final payment made at the designated date.



Trade Management

The Buy and Sell trades in terms of the Quantity, Price are entered along with Investment Committee Approval Reference that will check the limits, Security Name, Asset Class, Stock Exchange for registering the Settlement Practice and displaying the Value Date. The Broker name is entered here for computing the Broker Fee and computed the Net Cost/Revenue of the Purchase or the Sale. A Trade Query Screen with Dates, Security, Portfolio, Payables & Receivables

The same Module has Trade Instruction, Trade Execution tabs for Order Management in terms of Market Open Order, Day Limit Order and other types of Orders.

If there be a need for Portfolio Allocation which depends on the Hierarchy Choice of the user, this logic can be processed.

Corporate Actions

Bonus Shares, Dividends Received, Stock Splits, Rights Shares Applied and Allotted, are effected are processed after initial entry in the Securities Masters. This module also processes the Security Maturity Transactions in terms of Principal Received along with Interest.

Pledging and Discharging the Pledging of Securities

The systems cater to the Pledging and discharging of Pledges of Securities for those Investment Organizations, which trade in Securities by using the Financial Leverage. The Bonus Shares issued for shares in Pledge are internally computed and added in the Pledge as per the Market Practice. Users can view Drawing Limits, Bank Limits Utilized, and Gearing Ratio on the Loans. Snapshot Screen for Pledge Query on Security, Portfolio and Bank-wise Details.

Trade Cancellation and Data Correction Modules

For rectifying the incorrect entries in the Trade Screen, Bonus/Stock Split/Capital Reduction, this module is another useful option. Revaluations procedures are designed to take these modifications.

Ratings Management

This Module deals with Ratings of the Counterparty, the Broker and the Security. The ratings of both can be interfaced for either on the choice of the Broker or on the Security to be invested in. The Ratings are useful for evaluating the Creditworthiness of the Broker and the Quality of the Security, which has been rated by independent Rating Agencies. Alert Messages can be set for crossing over of the threshold limit after which the Investment Organization can take necessary action.

Accounting

Account Codes are set up when the Transaction Types are defined. Totally about 130 Transaction Types are available in the Application. For each of these, the Account Heads to be debited and Credited, Narration, what is the effect on Cash Position are captured here.

Settlements and Transfers

Payments for the Purchases and the Receipts for the Trades are captured here in addition to other miscellaneous Payments and Receipts and Bank Reconciliation, Bank details, Currency of Payments or Receipts, Printing of Checks, Multiple Payments to Single Invoice and Single Payment to Multiple Invoices are the other Special Features in this Module. Fund Transfers if any between Portfolios are processed in this module.

Stock Reconciliation

The Stock Statement received from the Broker/Custodians can be tallied with the Stock Position generated by the Application for accuracy and corrections.

Market Interfaces

The Market Interfaces have been developed for Muscat, Dubai, Abudhabi, Kuwait, Qatar, Bahrain, Saudi Arabian, National and Bombay Stock Exchanges. The Open, Close, High, Low Prices, Volume of Trading for Equity Shares, and any Yield Data, Duration, Convexity details can also be captured for Fixed Income Securities.

Similarly interfaces have been developed with Independent Reporting Agencies like Bloomberg, Reuters, Data Stream, and Barra.

Accounting Interfaces

Our Project Team on Interfacing has executed several Implementations with Oracle General Ledger and Great Plains

Valuations

This Module helps running the Day end Valuations by interfacing with Market Prices downloads from various Stock Exchanges. There is the Rolling option to run the Historical Cost [Average Cost], Book Cost [Marked to Market] or Run both the Processes. This churns out the Realized and Unrealized Gains/Losses, Income from the Security, there by computing the Appreciation or Depreciation of a Portfolio. All the Valuations are run for a Portfolio Manager in the System.

Performance Evaluation and Management

This Module takes care of the Evaluation on Internal Rate of Return, Standard Deviation, Beta, Sharpe, Treynor, Appraisal Ratios, Jensen Measure, M2 Measure, and Markowitz Diversification. All these evaluations are done at the Portfolio Manager Level.

Business Intelligence

About 200 Reports with Multiple Drill down Features are available. They can be classified as Purely Documentary, Position Statements, Valuation Statements, and Performance Evaluation Reports. Selected Reports form part of the Standard Offering of the Product.

Key Benefits Product and Service

Adopting the Funds and Portfolio Management Systems will turn out to be a good number of Quantitative and Qualitative Benefits. These Propositions are stated below for better appreciation of the Application

- An efficient Back Office Application for Investment Processes which will optimize the time necessary to key in the transactions and process till Settlements
- Provides quick downloads of Market Data for Costing and Valuation Processes
- Results in savings in terms of Overheads as compared to adopting Legacy Systems
- Has the ability to handle variety of Securities like, Equity Shares, Bonds, Debentures, Structured Instruments, Money Market Instruments, and Gilt Edged Securities
- Provides Portfolio Evaluation inputs for Performance Tracking resulting in better Portfolio Management and thus optimizing on Risk and Return
- Flexibility to handle Multiple Stock Exchange Scenarios
- Has in built Work Flow Approval System to have better Management Control.
- Transactions and Pledge Query Screens for instantaneous decision making
- A large repository of Reports for enhancing the quality of Investment Decision Making
- Minimizes the dependency on Human Interface
- An Intensive Training on the Functionalities with

Company Fixed Deposits

Company	Rating	Rate of interest (%)			Interest payment options and minimum amount*	Head office
		1 yr	2 yr	3 yr		
Manufacturing Companies						
Ceat	—	8.50	9.00	9.50	M-15,000; H/Q-10,000; C-5,000	Mumbai
Escorts	—	8.50	9.00	9.50	Q/C-10,000	Delhi
Chambal Fertilisers and Chemicals	FAA+	7.50	8.00	8.50	Q/C-25,000	Delhi
Jindal Strips	FA-	7.00	7.25	7.50	Q/C-21,000	Hissar
Central/State Companies						
T.N. Power Finance & Infra. Dev.	FA+	7.49	8.38	8.71	Q-10,000; C-10,000	Chennai
Sardar Sarovar Narmada Nigam	—	7.00	8.00	—	M-15,000; H/C-5,000	Ahmedabad
HUDCO	AAA	6.50	6.75	6.75	C/Y/Q/H-50,000	Delhi
IDBI	FAAA	5.75	6.00	6.25	M-50,000; Q/C-25,000	Mumbai
Finance Companies						
First Leasing Company of India	MAA+	8.50	9.00	9.00	M/Q/H/Y-5,000	Chennai
Ashok Leyland Finance	FAA	7.50	8.00	—	M-15,000; Q-10,000;C-1,000	Chennai
Dewan Housing Finance Corporation	AA	6.85	7.10	7.35	M-20,000; Q/Y-10,000;H/C-5,000	Mumbai
PNB Housing Finance	FAA+	6.50	6.75	6.75	Q-20,000; C-10,000	Delhi

M: monthly; Q: quarterly; H: half-yearly; Y: yearly; C: cumulative *The figures are in Rs Source: Bajaj Capital their Business Rationale by the Product Experts forms part of the Offering

- A quick Response Time to the issues raised by the Clients

Frequently Asked Questions

1) What types of Customers benefit from Funds and Portfolio Management System?

Institutional Investors like Central Banks, Pension and Provident Funds, Insurance Companies, Asset Management Companies, Treasury Departments of Manufacturing Companies, Medium and Large sized Investment Organizations operating in Capital Markets, Private Trusts, Endowments, Independent Portfolio Managers,

2) What are the Key Differentiators of Funds and Portfolio Management System?

It has a five level Architecture Levels in terms of Company/Fund/Sub Fund/Portfolio/Portfolio Manager suitable for large Institutional Investors and can be adapted to Medium Sized and Small Organizations by making the selected levels as a mere pass through. This five level Hierarchy enables to have multi layered Investment Divisions.

3) How is the Order Management Done in the System?

The Trade Instructions are registered first in the Trade and Transactions Module in terms of the type of Order and once approval is sought, the Order is Executed within the Investment Committee Approval Set Up.

4) How does the functionality of Investor work in the Product?

Investors are created and mapped to the Portfolio and the Portfolio Manager for which the Transactions are executed. The funds contributed by the Investor to a particular Fund is divided into the Number of Units as set up the Management of the company. The Average Asset Value is computed as per the formula and the Net Asset Value is computed. Continuing the Portfolio Managers are compensated based on a Percentage Fee on the Average Net Asset Value.

5) Can the Customers create Reports with the help of Oracle Discoverer?

Bahwan CyberTek provides the labels and the Table Names for the purpose of creating views and generating reports of the Client Choice.

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About Bahwan CyberTek

Bahwan CyberTek (BCT) is a SEI CMMi Level 5 assessed software products and services company. BCT has operations in Oman, UAE, USA & India and is an associate company of the billion-dollar Suhail Bahwan Group of Companies.

BCT has the industry knowledge and expertise to propel your e-business strategies forward - evolving your business with real time response capabilities. As your offshore partner we bring to table a unique software production model that lets you cut over 30% of time and efforts estimates from all your conventional software development budgets. All those typical offshoring benefits that these conventional models bring are additional.

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