



**CUECENT FINFLEX**

FUNDS & PORTFOLIO MANAGEMENT SYSTEM



# POWERING INTELLIGENT INVESTMENT DECISIONS

CUECENT FINFLEX has been designed to meet 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, 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 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 FINFLEX is an 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 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 Foreign Currency, Real Estate, apart from Private Equity & Derivatives.

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 offers audit trail of the transactions with date and time stamp. User-defined alerts provide timely information on vital business points.

The Application is based on Oracle 10G Architecture with Windows 2003 as the Platform and Oracle 10G Database.

## Manage Investment Profiles

FINFLEX is 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
- Variety of Fixed Income Securities like
- Private Equity
- Mutual Fund
- Hedge Fund
- Real Estate
- Convertible and Non-Convertible Bonds
- Certificate of Deposits
- Commercial Paper
- Treasury Bills

Investments in Private Equity, Structured Notes and Alternative Investments are the other asset classes 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.

In addition to creating the Coupon Schedules for Fixed Income Securities, the users 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. Interest Rate and Currency Swaps can also be transacted in addition to Forward Rate Agreement and Repos.

Real Estate Investments are processed in terms of creating 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 Guidelines

The Senior Management of an Investment Organization may set up Cumulative Limits on the Volume, Value, the Minimum and Maximum Price Limits for each Security that every 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 set when the limits are breached.

The module addresses Bonus, Stock Splits Scenarios by internal logic that will allow these Corporate Actions to be effected by raising an Alert Message.

## 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 will be the base for 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 these will be operative are available.

## Guideline Setup

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

Users can create Brokerage Fee Schedules of different types like Fixed, Cascading, Fixed plus Cascading based on Transaction Value or Market Value. When the Broker who has effected 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 Internal and External Portfolio Managers for whom it may pay a Management Fee.

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 and 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 for computing the Broker Fee and the Net Cost/Revenue of the Purchase or the Sale. A Trade Query Screen with Dates, Security, Portfolio, Payables & Receivables is made available for a snapshot view.

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

## Corporate Actions

Bonus Shares, Dividends Received, Stock Splits, Rights Shares Applied and Allotted, are effected and 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 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, are provided for quick decision making.

### **Trade Cancellation and Data Correction Modules**

This module is a useful option for rectifying the incorrect entries in the Trade Screen, Bonus/Stock Split/Capital Reduction. Revaluation procedures are designed to incorporate these modifications.

### **Settlements and Transfers**

Payments for the Purchases and the Receipts for the Trades are captured:  
The other features available are:

- Payments and Receipt
- Bank Reconciliation
- Bank details
- Currency of Payments or Receipts
- Printing of Checks
- Multiple Payments to Single Invoice
- Single Payment to Multiple Invoices

Fund Transfers between Portfolios, Investors, Stock Exchanges and Brokers are also 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.

### **Ratings Management**

This Module deals with Ratings of the Broker and the Security. The ratings can be interfaced either by the Broker or 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.

### **Market Interfaces**

The Market Interfaces have been developed for Muscat, Dubai, Abu Dhabi, Kuwait, Qatar, Bahrain, Saudi Arabia, 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**

Account Codes are set up when the Transaction Types are defined. Totally 140 Transaction Types are available in the Application. For each of these, the Account Heads to be debited and Credited, Narration, the effects on cash position are captured in the transaction type, readymade Interface with Oracle Financials R12.

Accounting Interfaces on Several Implementations have been executed by our Project Team on Interfacing with Oracle General Ledger and Great Plains.

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. All these evaluations are done at the Various Levels of Hierarchy with drill up Features.

### **Business Intelligence**

About 200 Reports, with Multiple Drill down Features, are available. They can be classified as Purely Documentary, Position Statements, Valuation Statements (includes Book Cost and Historical Cost Reports for Accounting and Investment Users) and Performance Evaluation Reports. Selected Reports form part of the Standard Offering of the Product.

# Key Benefits-Product and Service

Adopting the FINFLEX will result in a good number of Quantitative and Qualitative Benefits.

The value propositions are:

- An efficient Back Office Application for Investment Processes which will optimize the time necessary to key in the transactions and process till Settlements
- Quick downloads of Market Data for Costing and Valuation Processes
- Results in savings in terms of Overheads as compared to adopting Legacy Systems
- The ability to handle variety of Securities like Equity Shares, Private Equity Investments, Mutual Funds, Hedge Funds Bonds, Debentures, Structured Instruments, Money Market Instruments and Gilt Edged Securities, Derivatives and Real Estate.
- 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
- 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 and also Book Cost based valuation reports for Accounting Users.
- Minimum dependency on Human Interface
- Customer Support
- An Intensive Training on the Functionalities with their Business Rationale by the Product Experts forms part of the Offering
- A quick Response to the issues raised by the Clients

Incepted in 1999, Bahwan CyberTek Pvt. Ltd. has successfully transformed itself into a global provider of hybrid technology solutions. A SEI CMMi 5 Level company, BCT was recently adjudged by Red Herring as Asia's Top 100 privately managed companies. Its clientele include leading Fortune 500 companies across geographies. The company's offering spans Product Development, Systems Integration, Outsourced Application Development, Migration and Customization, Training, Professional Services and end-to-end Networking Solutions among others. Headquartered in Chennai, BCT has regional presence in Mumbai and Bangalore in India apart from Oman, UAE and USA. For details visit <http://www.bahwancybertek.com>



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