

Set Up Risk Portfolio

[See previous W5 version guide](#)

PURPOSE

This document describes how to set up portfolios.

WHY IS THIS IMPORTANT?

Portfolios are mainly used to track the cost of the investments bought/sold, and for investment revaluation purposes. It also can be used as transaction tagging for reporting purposes.

PROCEDURE



1. From the main menu, select Set Up > Risk > Portfolio. The Portfolio main menu is displayed.

Portfolio

Refresh

Action

Group

Search

Columns

<input type="checkbox"/>	App? ↑↓	Short Name ↑↓	Gross Net ↑↓	Amortisation ↑↓	Entity Default ↑↓	Assigned Acct Cntr ↑↓
<input type="checkbox"/>		DEFAULT	Net	Constant Yield		TFS-SG
<input type="checkbox"/>		STRATEGIC-TFS	Net	Constant Yield		TFS-SG
<input type="checkbox"/>		STRATEGIC-TGL	Net	Constant Yield		TGL-SG
<input type="checkbox"/>		TACTICAL	Net	Constant Yield		TFI-SG
<input type="checkbox"/>		TL-HEDGE	Net	Constant Yield		TFS-SG

1-5 of 5 records

<<

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1

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50

2. Click on Action and select New to create a new portfolio.

New Portfolio

Cancel

Save

Import

Show Advance

Short Name*

3. If you are creating portfolio for transaction tagging use, type in the Short Name and then you may click Save.

New Portfolio

✕ Cancel
💾 Save
⬇️ Import
⌵ Show Advance

Short Name*

4. Approve the newly created portfolio by selecting the checkbox and then click Action and Approve.

Portfolio

🔄 Refresh
⌵ Action
👤 Group

Columns

		Name ↑↓	Gross Net ↑↓	Amortisation ↑↓	Entity Default ↑↓	Assigned Acct Cntr ↑↓
<input checked="" type="checkbox"/>		HEDGING	Net	Constant Yield		
<input type="checkbox"/>		DEFAULT	Net	Constant Yield		TFS-SG
<input type="checkbox"/>		STRATEGIC-TFS	Net	Constant Yield		TFS-SG
<input type="checkbox"/>		STRATEGIC-TGL	Net	Constant Yield		TGL-SG
<input type="checkbox"/>		TACTICAL	Net	Constant Yield		TFI-SG
<input type="checkbox"/>		TL-HEDGE	Net	Constant Yield		TFS-SG

1-6 of 6 records
<< < 1 > >>
50 ▾

5. At the pop up, click Yes to confirm. The portfolio will be approved. You should not see an “N” in the “App?” column.

6. Next, to create a portfolio for investment purposes, click Action and select New from the Portfolio main screen.

7. On the New Portfolio screen, enter the short name for the portfolio.

New Portfolio

✕ Cancel

💾 Save

⬇️ Import

⌵ Show Advance

Short Name*

INVEST

8. Then click on Show Advance.

New Portfolio

✕ Cancel

💾 Save

📄 Import

⌵ Show Advance

Short Name*

INVEST

Long Name

Alternate Name

Assigned Acct Cntr



Compliance Group



Valuation Ccy



Cost Valuation



Cost Method



Amortisation



Carrying Value



Default Custodian



Default

No



Note

Shareable

No



Compliance Type

Strict



9. Select the Assigned Acct Cntr. This is necessary so that system can accumulate the cost of the investments.
10. Select the Compliance Group to apply for pre-trade compliance check. Leave blank if compliance check is not required.
11. Select the Valuation Ccy for the portfolio.
12. Next, select the Cost Valuation, setting the cost valuation should be on a gross or net amount basis. Gross amount would be investment quantity multiplied by the price, and Net amount would include any other transaction cost.
13. Select the Cost Method. Set this to Average if the cost of investment is at market price. If the cost of investment is amortised cost, set this to FIFO.
14. Select the Amortisation method, to set whether it is straight line or constant yield. This field is only relevant if the Cost Method is FIFO. Ignore this field if the Cost Method is Average.
15. Lastly, select the Carrying Value to set whether trades are at Cost or at Market Value. This field is only relevant if the Cost Method is Average.
16. If there is any default custodian for the particular portfolio, you may specify the default custodian in this field. Leave the field blank if there is no default custodian. If you do not find the desired custodian, please create the custodian under Set Up > Entity > Counterparty. See [How to Set Up Entity - Counterparty](#).
17. Shareable is No by default. This does not allow the portfolio to be shared with other accounting centres. If you wish to allow the portfolio to display in the drop down list regardless of accounting centre, select this to Yes.
18. Compliance Type is Strict by default. To allow adaptive compliance, set this to "Adaptive" and this allows system to compare compliance result before and after to check if the result alleviates or aggravates or stable (no change). If it alleviates or stable, compliance result will show PASS. If it aggravates, compliance result will show as FAIL. See FAQ below for more details.

New Portfolio

✕ Cancel

💾 Save

📄 Import

⌵ Show Advance

Short Name*

INVEST

Long Name

Alternate Name

Assigned Acct Cntr

TFS-SG

Compliance Group

Valuation Ccy

SGD

Cost Valuation

Net

Cost Method

FIFO

Amortisation

Constant Yield

Carrying Value

At Market Value

Default Custodian

Default

No

Note

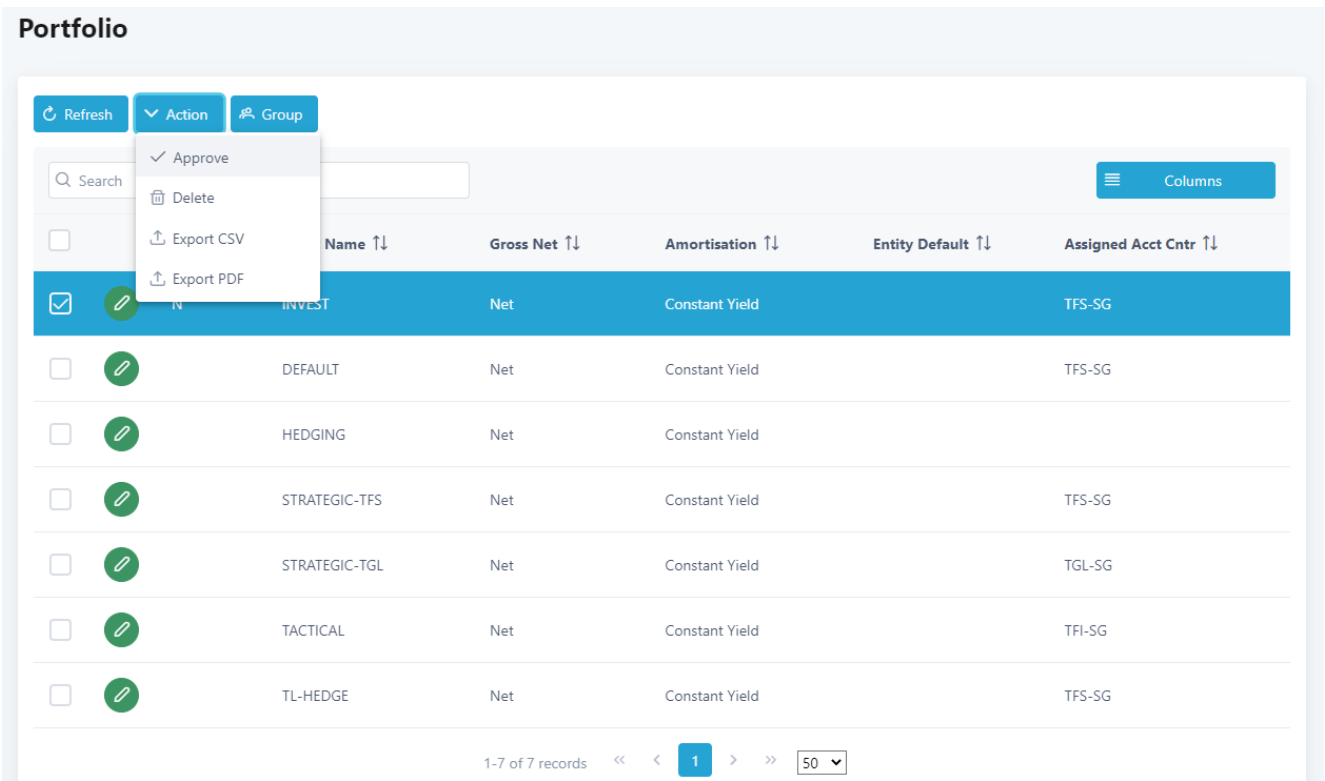
Shareable

No

Compliance Type

Strict

19. When completed, click Save.
20. From the Portfolio main screen, click on the checkbox beside the new portfolio created.



21. Click Action and Approve. At the pop up, click Yes to confirm.
22. To amend, click on the Edit button of the portfolio. The Amend Portfolio screen will be displayed.

Amend Portfolio

[✕ Cancel](#)[💾 Save](#)[☰ History](#)[⚙️ Preference](#)[📁 File/Note](#)Check Compliance ☐

Short Name*	<input type="text" value="INVEST"/>
Long Name*	<input type="text" value="INVEST"/>
Alternate Name*	<input type="text" value="INVEST"/>
Assigned Acct Cntr	<input type="text" value="TFS-SG"/> ▼
Valuation Ccy	<input type="text" value="SGD"/> ▼
Cost Valuation*	<input type="text" value="Net"/> ▼
Cost Method*	<input type="text" value="FIFO"/> ▼
Amortisation*	<input type="text" value="Constant Yield"/> ▼
Carrying Value*	<input type="text" value="At Market Value"/> ▼
Compliance Group	<input type="text"/> ▼
Default Custodian	<input type="text"/> ▼
Default	<input type="text" value="No"/> ▼
Note	<input type="text"/>
Shareable	<input type="text" value="No"/> ▼
Compliance Type	<input type="text" value="Strict"/> ▼

23. Change the fields as necessary and click Save. Note that if there is an

investment trade that booked under the portfolio, the Assigned Acct Cntr, Valuation Ccy, Cost Valuation, Cost Method, Amortisation and Carrying Value are not editable.

24. Once saved, approve the portfolio on the Portfolio main screen.

25. To delete, tick on the checkbox beside the short name. Click Action and Delete.

FREQUENTLY ASKED QUESTIONS

FAQ01. I cannot access the Portfolio screen.

Access rights are needed to access the portfolio module. Please contact your administrator to obtain rights 10910.

FAQ02. What is the difference between a strict and adaptive pre-trade compliance check?

When a user attempts to book a trade, the system run a compliance check based on the rules to apply for that portfolio. The check will determine the risk exposure before and after the trade.

Strict and adaptive compliance check setting is used to determine how the system should interpret the test results.

Strict

Under a strict compliance check setting, only the “after” result is used to determine whether the check passes or fails.

Example:

Limit = 50% max

	Before	After
Exposure	40%	70%
Result	Pass	Fail
Overall	FAIL	

Adaptive

Under an adaptive compliance check setting, the overall result is determined in two stages:

- i) Whether post trade pass or fail,
- ii) If i) fails, then it tests whether the post trade aggravates or alleviate the exposure. If it aggravates, the fail status remains. But if it alleviates the exposure then the test is deemed to pass.

Example 2A

Limit = 50% max

	Before	After
Exposure	40%	70%
Result	Pass	Fail
Overall	FAIL (Aggravate)	

Limit = 50% max

	Before	After
Exposure	80%	70%
Result	Fail	Fail
Overall	PASS (Alleviate)	

Limit = 50% max

	Before	After
Exposure	80%	80%
Result	Fail	Fail
Overall	PASS (Alleviate)	

Limit = 50% **MIN**

	Before	After
Exposure	40%	45%
Result	Fail	Fail
Overall	PASS (Alleviate)	

Limit = 50% **MIN**

	Before	After
Exposure	40%	40%
Result	Fail	Fail
Overall	PASS (Alleviate)	

Limit = 50% **MIN**

	Before	After
Exposure	40%	35%
Result	Fail	Fail
Overall	FAIL (Aggravate)	

An adaptive test has the advantage of providing flexibility in managing pre-existing or technical compliance breach.

FAQ03. How to exclude accruals in the compliance check?

Accruals in the compliance check can be excluded by setting “Exclude Accruals for Compliance Check” to Yes in the Portfolio Preference screen. See [Portfolio Preference Set Up](#).

RELATED INFORMATION

[Create and Amend Investment](#)

[How to Set Up MMF with ICD Integration](#)

[Compliance](#)

[Portfolio Preference Set Up](#)

CHANGE HISTORY

Date	By	Changes
15-Feb-2008	-	Created.
22-Mar-2016	Clarissa	Rewritten. Reformatted.
12-Jun-2016	Douglas	Proofread.
13-Apr-2017	Clarissa	Added Related Information.
24-Apr-2017	TS	Updated instructions for Shareable, Compliance Type and FAQ02.
11-May-2017	TS	Added FAQ03 and linked Portfolio Preference Set Up in Related Information.
15-Nov-2018	Lyra	Updated screenshots.
13-Mar-2023	TS	Updated to W6 instructions and screenshots.