



ActiveDeal™

Fund Management and Fund Accounting

ActiveDeal™ from Chella Software, provides a secure and efficient environment to manage and account investments in multiple funds across multiple currencies. It automates the investment and fund management activities of a Mutual Fund, Insurance Firm or a Portfolio Management Firm across functions namely front office, middle office, settlement, stock management, fund accounting, fee computation, performance tracking and MIS.

Fund Mandate and Model Portfolios

ActiveDeal™ supports two popular approaches to fund management. The fund manager can either manage funds based on a fund mandate or by tracking the fund through a model portfolio. While the fund mandate is used for managing mutual funds, investments of insurance firms or pension funds, the model portfolio approach is taken to offer portfolio management and wealth management services.

Benchmarks/Performance Tracking

ActiveDeal™ allows a fund manager to map a fund to a specific benchmark and track the fund's performance relative to the benchmark. The system (depending on the available interfaces), updates daily benchmark rates and generates performance reports for a fund vis-à-vis the bench mark. While in case of mutual funds, the valuation is at current market price, individually managed funds may require different valuation methods. Possible valuation methods are:

- ⊕ Current Market Price
- ⊕ Weighted Average Price
- ⊕ First in First Out
- ⊕ Last in First Out

Fund Management Fees

Management fees can be defined for each individual fund. This can be either a fixed or a variable fee.

Fixed Fee: Under fixed fee, the fixed fee amount is specified in the fee currency along with the periodicity for processing the fee.

Variable Fee: Under variable fee, the variable fee amount can be specified as a percentage of the opening / closing / average asset value along with the periodicity for fee posting.

Asset Classes

ActiveDeal™ covers the following asset classes:

1. Equity
2. Debt Instruments
 - ⊕ Zero Coupon Bonds/T-Bills
 - ⊕ Fixed Coupon Bonds
 - ⊕ Floating Rate Notes
3. Forex
4. Money Market - Fixed Deposits, Loans
5. Mutual Funds
6. Derivatives

Corporate Actions like dividends, splits, bonuses and rights are comprehensively handled. Users can create calendar entries and each action is taken through a a recognition and settlement phase.

Configurable Work Flow

ActiveDeal™ provides for multiple levels of authorization for entries captured through the system. These entries can be taken through various approval paths. Rights for users can be defined either to View, Edit or Delete an entry. When an approving authority rejects a transaction, he can make his remarks and the transaction reverts to the earlier stage. The approval workflow can be defined for masters, deal entries and accounting entries.

Fund Accounting

ActiveDeal™ is capable of handling multiple deals in multiple currencies. The accounts are maintained in both foreign currency and the specified base currency. Voucher entries, when made in a foreign currency, are simultaneously posted in the base currency.

When any deal is entered, the system automatically generates memorandum vouchers. Vouchers so generated, impact the system on the specified Value-Date. The system automatically generates vouchers for all asset linked transactions deal entry, settlement, cash flows (interest, principle repayments) and corporate actions.

The accounting module can scale up to act as a full fledged financial package for the firm. Some of the key elements of the accounting module are:

- ⊕ **Definition of separate chart of accounts for each managed fund.**
- ⊕ **Definition of multi-currency accounts with associated sub-accounts.**
- ⊕ **Grouping of accounts into any number of levels.**
- ⊕ **View of ledger in any currency, including in base currency equivalent, for any given set of dates.**
- ⊕ **View of Trail Balance, Balance Sheet in base currency equivalent, as on given date.**
- ⊕ **Drill down facility from the Trail Balance to the original transaction (deal voucher, settlement voucher etc).**
- ⊕ **Various accounting reports.**

Cash Flow Projection

When deals are made and approved, they entail cash inflows and outflows of various amounts and on various dates. The system computes future cash flow projections on account of all of transactions in their individual currencies and displays them as a cash flow projection statement for the coming days. It is possible to anticipate shortages and surpluses in each currency, well ahead of their happening and to plan for them in advance. Additionally the system permits users to enter ad hoc future cash flows manually.

Stock and Stock Projection

ActiveDeal™ defines two types of stocks viz., the book stock and the physical stock. Book stock is the stock on books, and is used for purposes of reporting asset values held. Physical stock is the stock physically available with custodians.

The stock projection statement projects future physical stocks flows. It projects likely dates of reduction or addition to stock based on settlement dates for purchase, sales, redemptions (For bonds), corporate actions, option exercise/assignment/expire.

Cash and Stock Settlements

ActiveDeal™ has a comprehensive settlement management system, with provisions to handle automated and manual settlements. Settlement transactions on confirmation generated respective accounting entries without any manual intervention. The system supports settlement of corporate actions through the same integrated process.

Configurable Work Flow

ActiveDeal™ provides for multiple levels of authorization for entries captured through the system. These entries can be taken through various approval paths. Rights for users can be defined either to View, Edit or Delete an entry. When an approving authority rejects a transaction, he can make his remarks and the transaction reverts to the earlier stage. The approval workflow can be defined for masters, deal entries and accounting entries.

Reports

ActiveDeal™ has a strong and powerful reporting layer. A set of standard reports are provided for. An optional OLAP report writer is available, which provides the flexibility to design and generate custom reports.

Some of the standard reports available are:

- Φ Fund wise assets report
- Φ Fund wise asset history report (weekly / monthly/ quarterly / yearly)
- Φ Returns report
 - Fund wise returns report
 - AMC wide returns report
- Φ Return History Report
- Φ Counter party balance reports (fund wise and AMC wide)
- Φ Position Returns Report
- Φ Asset Returns History Report
- Φ Fee Report
 - Fund wise fee report
 - AMC wide fee
- Φ Benchmark comparison /tracking report
- Φ Fund mandate compliance report
- Φ Model portfolio tracking report
- Φ Sector, currency, counterparty, asset class, custodian, country wise drill downs

Analytics Module (Optional)

ActiveDeal™ comes with a powerful analytics module as an optional component. The analytics module provides the following broad features

- Φ Versatile OLAP engine for users to design and generate their own reports.
- Φ Ability to slice and dice the available data across multiple dimensions.
- Φ Ability to generate risk, return and risk adjusted returns.
- Φ Zero Coupon Yield Curve generation based on observed prices of fixed income securities.
- Φ Computation of sensitivities like Greeks, PVBP, Convexity at both instrument and portfolio level.
- Φ Computation of Value-at-Risk for the portfolios using standard industry accepted methodologies.
- Φ Statistical package to compute correlations, volatilities, variance and covariance to name a few.

Security Features

ActiveDeal™ is a highly secure system with multiple levels of protection.

- Φ Login username and password. (Ability to support multi-factor authentication).
- Φ Menu Access Restrictions.
- Φ Activity Restrictions within a menu.
- Φ Data Logging and Audit Trail.
- Φ Database Level Protection.

About Chella Software

Chella Software is a capital markets specialist. All of our business has come from this domain, since inception. The combined experience of the team in the areas of front, middle and back office operations is probably unmatched. Highly respected as consultants and solution providers, enterprises rely on our products to run their mission critical business processes.

For more information visit us at www.chelsoft.com or write to subbu@chelsoft.com.



Intel and the Intel logo are trademarks or registered trademarks of Intel Corporation or its subsidiaries in the United States and other countries.