

Steps to Process the Sample Files with PC-SPAN¹

Note: This document is provided to Participants for testing purpose only.

1. Set up for PC-SPAN4

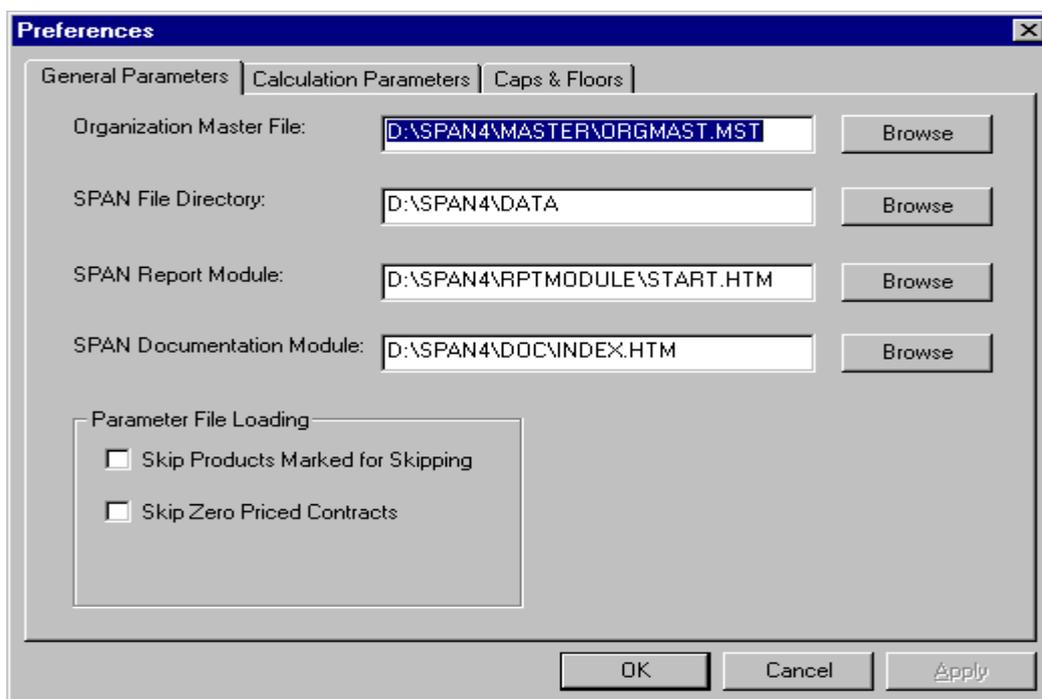
1. Run the PC-SPAN 4 program and go to the “Preferences” menu under the “Tools” menu.



2. Make sure the settings on each of the pages under the “Preferences” menu are properly configured

2.1 “General Parameters”

These file directories specify where the respective files are located. They are configurable by users.



¹ SPAN (Standard Portfolio Analysis of Risk) is a registered trademark of the Chicago Mercantile Exchange

3.2 "Calculation Parameters"

The screenshot shows the 'Preferences' dialog box with the 'Calculation Parameters' tab selected. The 'Currency' section includes 'Native Currency' (HKD), 'Conversion Currency' (USD), and 'To Convert to Native Currency' options (Use Rate from SPAN File selected, Use This Rate: 0). The 'Advanced' section includes 'Default Volatility' (0.150000), 'Default Interest Rate' (0.100000), 'Look Ahead Years' (0.004000), and 'Days Per Year' (250). The 'Logging' section includes 'Severity' options (Include Errors and Warnings selected) and 'Log What' options (All except calculations selected). Buttons for 'OK', 'Cancel', and 'Apply' are at the bottom.

3.3 "Cap & Floors"

The screenshot shows the 'Preferences' dialog box with the 'Caps & Floors' tab selected. The 'Cap Risk at Long Option Value for Portfolios Composed Solely of Long Options:' dropdown is set to 'Always'. The 'Floor Theoretical Option Prices at Minimum Value:' dropdown is also set to 'Always'. Buttons for 'OK', 'Cancel', and 'Apply' are at the bottom.

3. Save the sample Organization Master File "orgmast.mst" under the directory specified in "General Parameters" for Organization Master File (see step 1)
4. Save the following two sample files under the directory specified in the "General Parameters" for SPAN File Directory (see step 1)

Sample Files²:

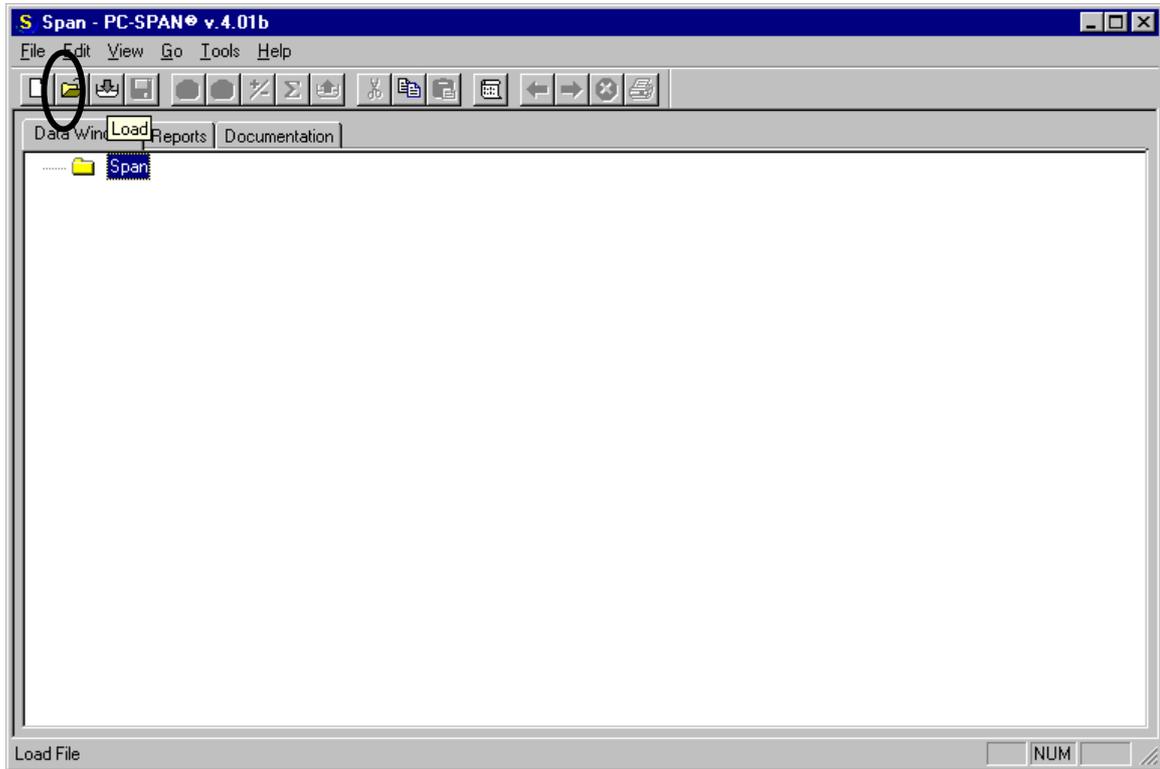
Risk Parameter File ("RPF"): "rpf_____ - _____ - _____ -030825.lis"

² File descriptions of the RPF and RP007, please refer respectively to the Risk Parameter File Descriptions and Appendix 2 of DCASS Reporting and Data Access

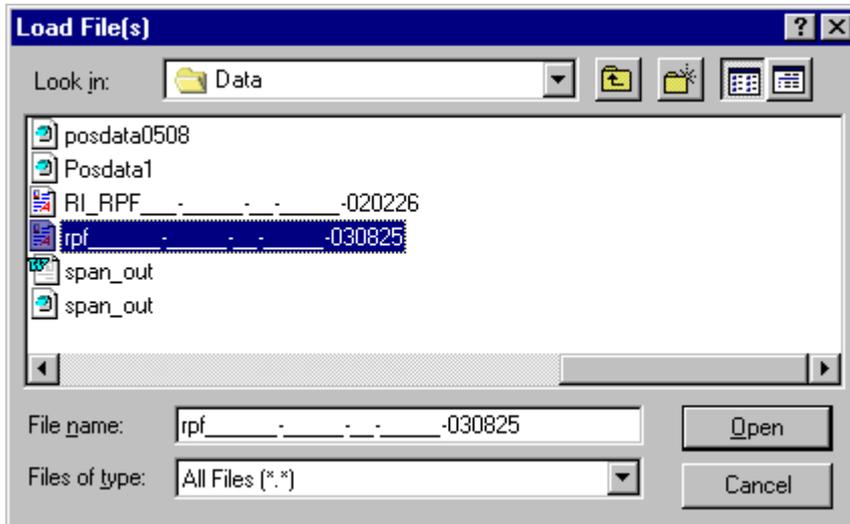
Position Data File ("RP007"): "20030825_rp007.txt"

2. Load Sample Files into PC-SPAN4

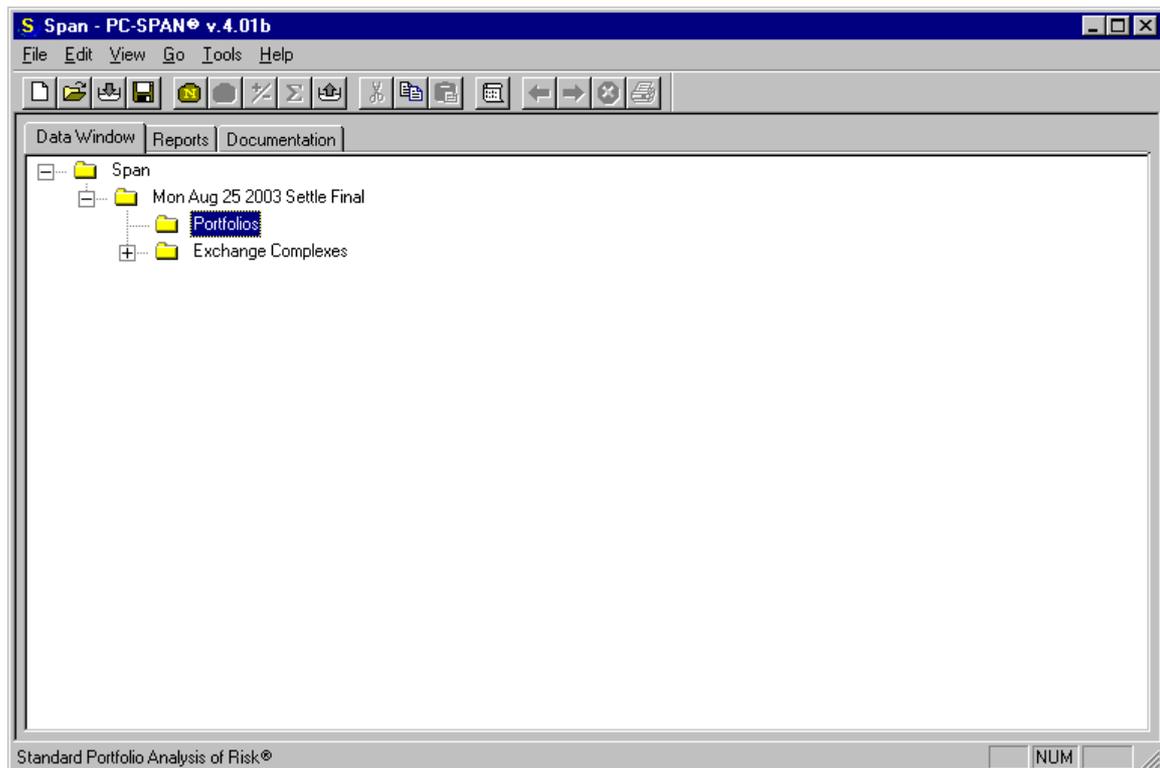
1. Click the "Load" button on the Tools Bar



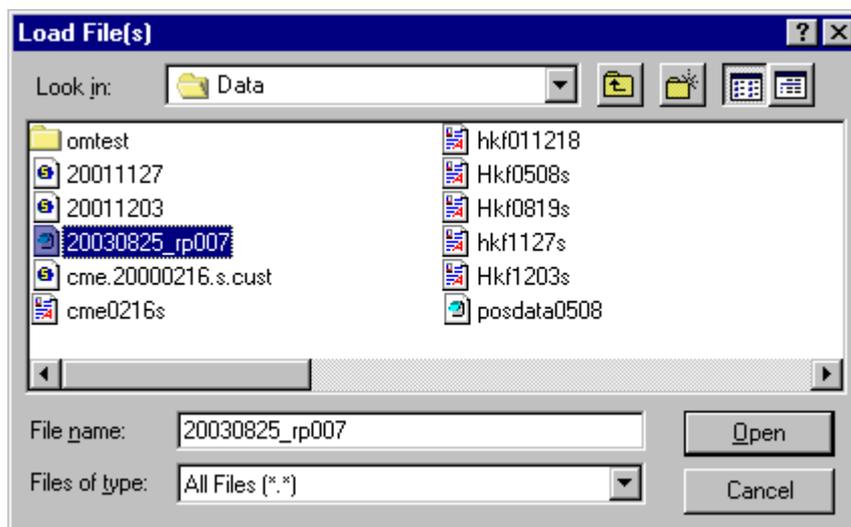
2. Locate the Risk Parameter File ("RPF") and click "Open"



3. Go to Data Window and highlight the sub-folder "Portfolio"

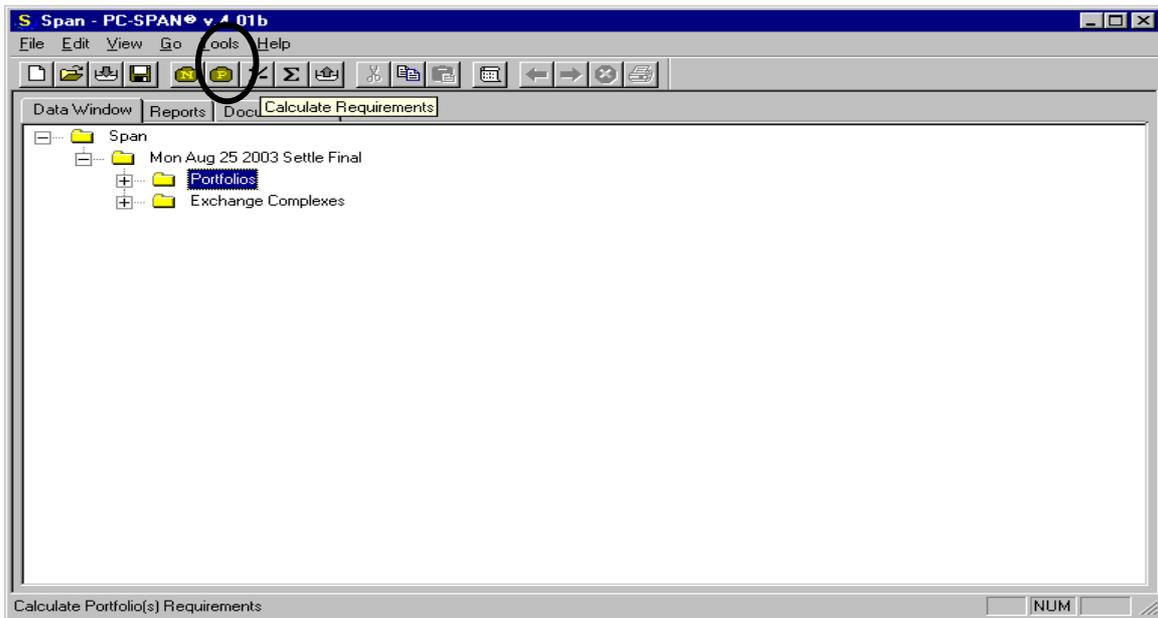


4. Click the "Load" button on the Tools Bar, locate the corresponding Position Data File ("RP007") and then click "Open"



3. Calculate Margin Requirement

1. Click the “Calculate Requirements” button on the Tools Bar:



A Calculation Summary will pop up. The data can be exported and saved as a Comma-Separated Value file (*.csv) for further processing

Portfolio	Net Fut. Value	Net Opt. Value	PB Class	SPAN Req/Maint	Total Req/Maint	SPAN Req/Init	Total Req/Init
HKF - H001 - (HKD)	539150.00	0.00	Core	84000.00	84000.00	84000.00	84000.00
HKF - H002 - (HKD)	539150.00	0.00	Core	34000.00	34000.00	34000.00	34000.00
HKF - H003 - (HKD)	0.00	0.00	Core	2161.00	2161.00	2161.00	2161.00
HKF - H004 - (HKD)	0.00	0.00	Core	16800.00	16800.00	16800.00	16800.00
HKF - H005 - (HKD)	0.00	0.00	Core	61600.00	61600.00	61600.00	61600.00
HKF - H006 - (HKD)	0.00	0.00	Core	5600.00	5600.00	5600.00	5600.00
HKF - H007 - (HKD)	537700.00	0.00	Core	11536.00	11536.00	11536.00	11536.00
HKF - H008 - (HKD)	-106450.00	0.00	Core	6800.00	6800.00	6800.00	6800.00
HKF - H009 - (HKD)	0.00	0.00	Core	1250.00	1250.00	1250.00	1250.00
HKF - H010 - (HKD)	107540.00	0.00	Core	50400.00	50400.00	50400.00	50400.00
HKF - H011 - (HKD)	107540.00	0.00	Core	5600.00	5600.00	5600.00	5600.00
HKF - H012 - (HKD)	1450.00	0.00	Core	6002.00	6002.00	6002.00	6002.00
HKF - H013 - (HKD)	1515360.00	0.00	Core	103340.00	103340.00	103340.00	103340.00
HKF - H014 - (HKD)	1383625.00	0.00	Core	30700.00	30700.00	30700.00	30700.00
HKF - H015 - (HKD)	-55700.00	0.00	Core	36908.00	36908.00	36908.00	36908.00
SEO - S001 - (HKD)	0.00	-2350.00	Core	12630.00	14980.00	12630.00	14980.00
SEO - S002 - (HKD)	0.00	76070.00	Core	5933.00	0.00	5933.00	0.00
SEO - S003 - (HKD)	0.00	-424.00	Core	961.00	1385.00	961.00	1385.00
SEO - S004 - (HKD)	0.00	14060.00	Core	8140.00	440.00	8140.00	440.00
SEO - S005 - (HKD)	0.00	-2670.00	Core	9355.00	12025.00	9355.00	12025.00

