



NAV tolerance check

FUNDS  AXIS

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1. Background

The NAV tolerance check helps to ensure that all the holdings held across your portfolios have uploaded correctly and successfully. This will give you confidence in the results being produced by the system are accurate and are providing an accurate and full picture of your portfolio.

The main check we are completing when reviewing the NAV tolerance for your portfolios is to ensure that the value of the uploaded holdings reconciles back to the official NAV of the portfolio.

2. NAV tolerance check

The NAV tolerance check can be completed by navigating to the **System Health Check** in HighWire.

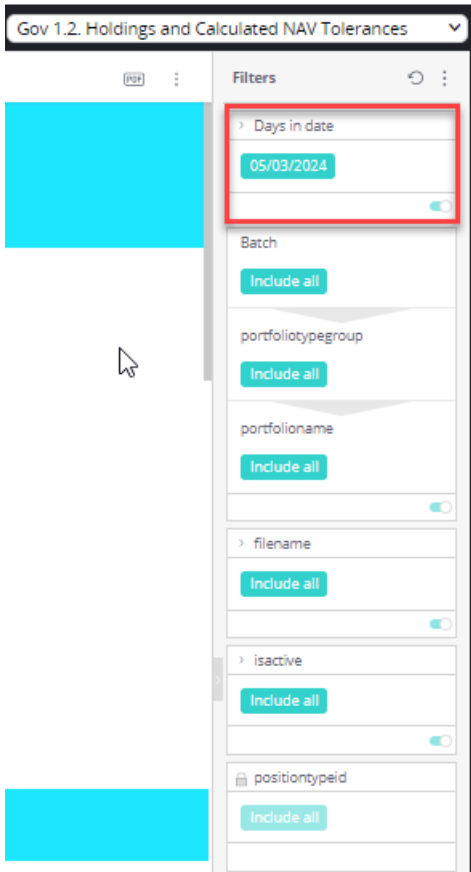
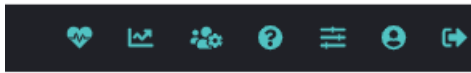
This can be located by clicking on the heart shaped icon on the top right-hand corner of the screen when you login.



When in the system health check, go to the **Governance** section and select the report **Gov1.2. Holdings and Calculated NAV Tolerances**.



By using the filters on the right-hand side of the report, you can decide which date you wish to review the NAV tolerances for, you can you select a specific portfolio rules processing batch if you wish, or if you prefer you can also select an individual portfolio to investigate.



In the NAV tolerance checker, there are 4 different reports available for a user to view. Below is a summary of what each report is trying to achieve.

Report 1: NAV out of tolerance

Based on the filters that you have chosen on the right-hand side, the reports in this section will indicate any portfolios that have a NAV tolerance that is not 100%. The reasons a portfolio could have a NAV outside of this threshold can be seen in section 3 of this document.

Report 1. NAV out of tolerance
 If a portfolio is shown here, it is likely due to a security invalid on the portfolio.

NAV Tolerance Report < 100%

Date	Portfolio code	Portfolio name	portfoliorulesbatchname	Portfolio currency	# of unique holdings	Market value of uploaded holdings	Official NAV	NAV tolerance
05/03/2024				GBP	31	31,434,421.28	31,914,978.11	98.49%
				GBP	31	28,025,482.44	28,528,874.62	98.24%
				GBP	35	38,844,441.97	39,843,392.91	97.49%
				GBP	30	19,275,338.12	19,999,995.42	96.38%
				GBP	40	68,451,508.10	72,456,737.97	94.47%
				GBP	23	29,792,873.54	30,004,872.51	99.29%

NAV Tolerance Report > 100%

Date	Portfolio code	Portfolio name	portfoliorulesbatchname	Portfolio currency	# of unique holdings	Market value of uploaded holdings	Official NAV	NAV tolerance
05/03/2024				GBP	23	14,135,345.31	13,983,535.36	101.08570%
				GBP	31	23,179,304.45	22,860,754.02	101.39330%
				GBP	29	21,388,709.10	21,343,011.28	100.21420%
				GBP	27	332,315,869.73	325,033,592.60	102.24030%

Report 2: NAV tolerance

This report will show the calculated NAV tolerance for all portfolios you have selected in your filters on the right-hand side.

Report 2. NAV tolerance
The below report shows the NAV tolerance for all portfolios. We expect this to be 100%.

NAV Tolerance Report

Date	Portfolio name	IF	Portfolio code	IF	portfoliorulesbatchname	Portfolio currency	# of unique holdings	Market value of uploaded holdings	Official NAV	NAV tolerance
05/03/2024						GBP	40	68,451,508.10	72,456,737.97	94.47%
						GBP	39	11,325,551.49	11,551,822.21	98.04%
						GBP	26	65,026,743.06	65,909,344.81	98.66%
						GBP	23	14,135,345.31	13,983,535.36	101.09%
						GBP	31	23,179,304.45	22,860,754.02	101.39%
						GBP	29	21,388,709.10	21,343,011.28	100.21%
						GBP	116	25,955,561.89	25,967,860.15	99.95%
						EUR	45	92,889,156.41	93,155,094.50	99.71%
						EUR	272	35,811,575.84	36,150,243.15	99.06%
						GBP	49	72,179,197.48	72,196,444.51	99.98%
						GBP	30	290,078,731.52	291,771,309.40	99.42%

Report 3: Payable receivable plug

The below reports can be used to monitor the size of the payable receivable plug that have been uploaded to ensure NAV tolerance is 100%. The report will only flag the plug if it is greater +/- 2%.

Report 3. Payable receivable plug
The below reports can be used to monitor the size of the payable receivable plug that have been uploaded to ensure NAV tolerance is 100%. The reports will only flag the plug if it is greater +/- 2%.

Plug < -2%	No Results
Plug > 2%	No Results

Report 4: Files uploaded and contribution to NAV.

The final report will show the contribution each uploaded file is having on a portfolios NAV.

Report 4. Files Uploaded and Contribution to NAV
(Note: unlisted security files and warrants files may well have holdings with values of zero)
Also, expect zeros where there is no uploaded Official NAV - see above report

NAV Tolerance Report

Date	Portfolio code	Portfolio name	File name	Market value as % of NAV	Market value
05/03/2024				100.37%	14,035,345.31
				0.72%	100,000.00
				101.09%	14,135,345.31
				100.96%	23,079,304.45
				0.44%	100,000.00
				101.39%	23,179,304.45
				99.75%	21,288,709.10
				0.47%	100,000.00
				100.21%	21,388,709.10
				-0.01%	-2,590.52
				98.50%	31,437,011.80
				98.49%	31,434,421.28
				-0.04%	-11,710.32
				0.00%	0.00
				98.28%	28,037,192.76
				98.24%	28,025,482.44
				-0.06%	-24,973.85
				0.00%	0.00
				97.56%	38,869,415.82
				97.49%	38,844,441.97
			-0.02%	-3,724.33	
			0.00%	0.00	
			96.40%	19,279,062.45	
			96.38%	19,275,338.12	

3. What causes differences in NAV tolerance.

The main cause of differences in a portfolio's NAV tolerance is the fact that a security on a portfolio may be appearing as an invalid and therefore is not being considered as part of the uploaded holdings. See the report **Gov1.3. Data Uploads** which can be viewed in the governance tab of the System Health Check for further information on potential security upload errors.

Another potential difference could be that sundry items are included within the calculation of a portfolio's NAV but have not been uploaded as part holdings to the system.

We can upload sundry items into the system but would either require you to provide a breakdown of the sundry values to upload, or it is possible for us to manually calculate the potential sundry plug.

By uploading any sundry items, we should be able to get the NAV tolerance to reflect 100%.