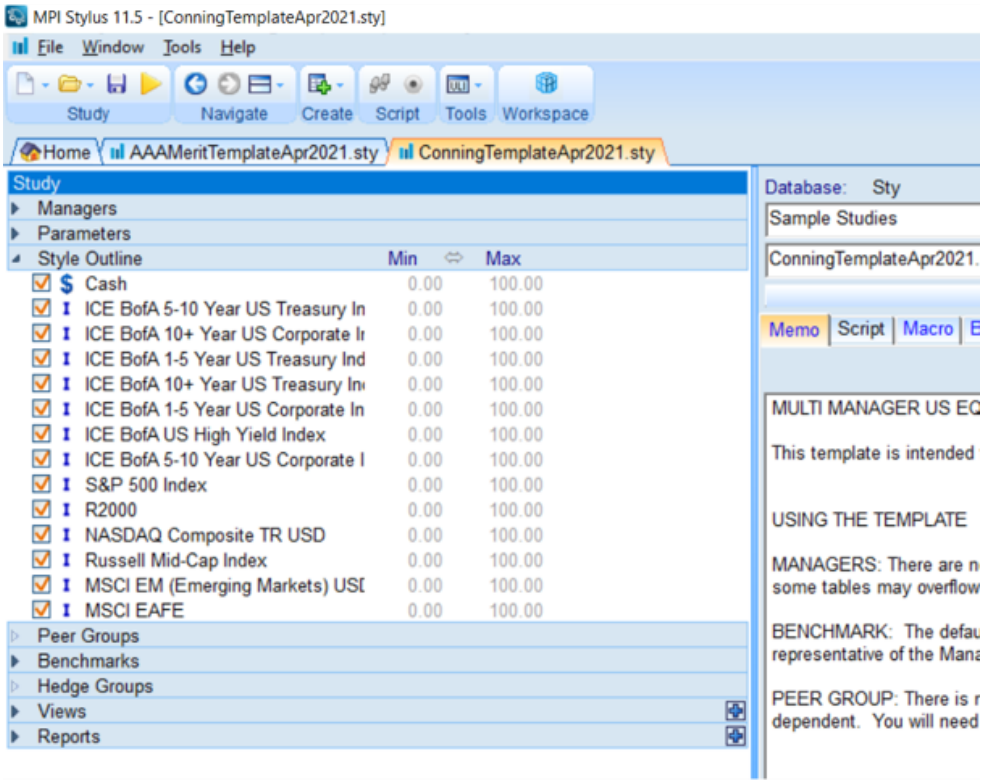
Paars Cheat Sheet

The following 5 sections set out a step by step guide to running a portfolio simulation with Paars. It is summarized. Details are in the latest PaarsUserDocumentation guide.

1. Analyze portfolio returns into the style components needed.



Notes

This is all done with MPI. Note the two tabs here: one for Conning NAIC style and one for AAA. Remember to update the data for MPI - it does not do itself automatically.

The data you need is in Page 5 of the User Comparison Report (or sometimes page 6 if there are a lot of securities in the portfolio). With Conning NAIC scenarios, there are too many assets to see them easily. The best idea is to export the data into Excel, which in any case is useful for the next step.

Once you have started to analyze a new portfolio you should set up an empty directory for the portfolio data generated during these steps.

2. Enter weights into the standard error spreadsheet

	A	B	C	D
1				
2	**Asset Class**	Weight	St Dev	BondsGovtIntern
3	BondsGovtIntermediate	8.38%	5.591%	100.00%
4	BondsCorpLongInv	3.21%	11.001%	79.96%
5	MoneyMarket	7.07%	1.976%	35.31%
6	BondsGovtShort	7.46%	3.107%	92.97%
7	BondsGovtLong	3.46%	10.472%	94.79%
8	BondsCorpShortInv	5.79%	3.321%	87.07%
9	BondsCorpHighYield	0.11%	6.612%	59.80%
10	BondsCorpIntermediateInv	4.55%	6.195%	88.28%
11	EquityUSLargeCap	59.03%	16.618%	3.73%
12	EquityUSSmallCap	0.11%	18.880%	3.40%
13	EquityUSAggressive	0.21%	23.404%	1.97%
14	EquityUSMidcap	0.24%	17.478%	3.89%
15	EquityInternationalAggressive	0.26%	26.648%	0.97%
16	EquityInternationalDiversified	0.12%	17.926%	2.60%
17	Total	100.00%		
18	Base St Dev	10.40%		
19				
20	R^2	99.00%		
21				
22	St Dev Error	1.48%		
23				

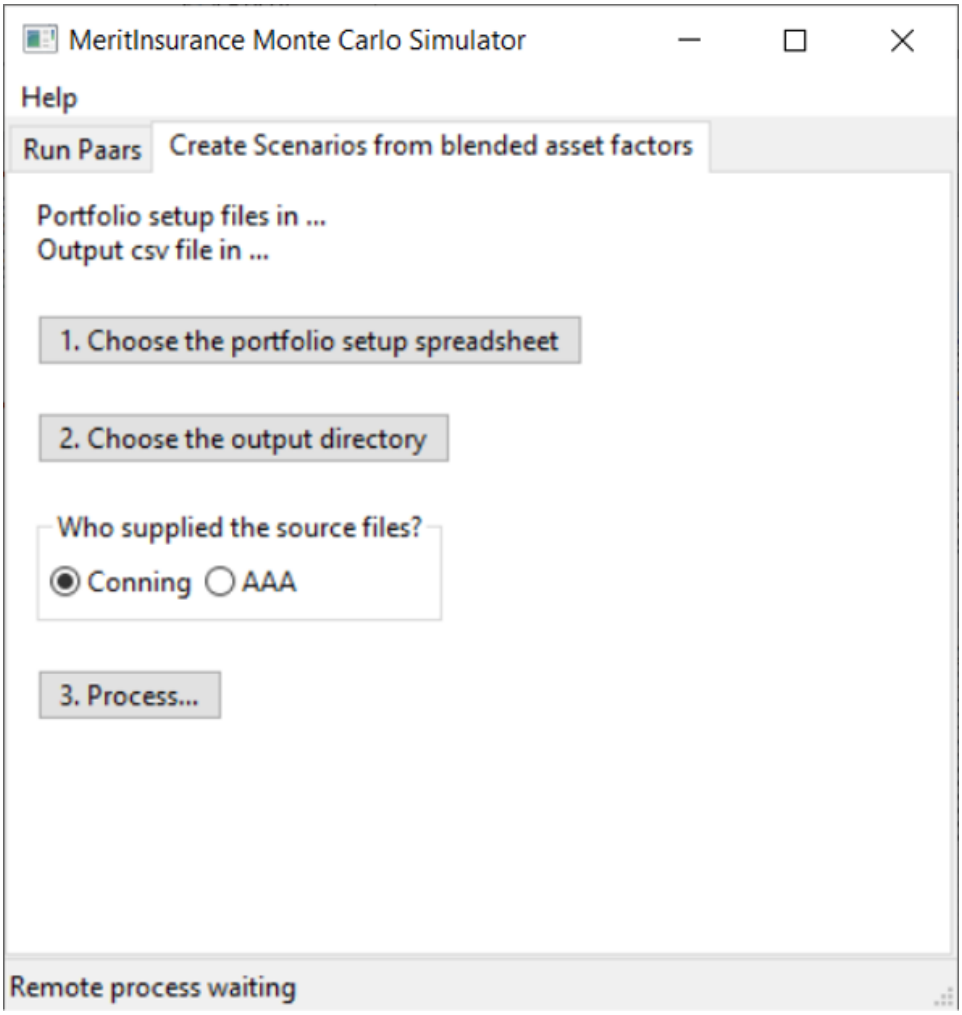
Notes

One spreadsheet is needed for each style. Save the spreadsheet. Use a good name that makes it clear which fund manager, which portfolio and which ESG.

The economic scenario generation program requires the weights to add up to 100% exactly. Please check this (e.g. cell B17 above). The MPI numbers sometimes are out by a fraction of a percent.

Save the spreadsheets to the portfolio directory.

3. Create economic scenario files for the portfolio



Notes

The Amazon server does not need to be switched on for this step. It happens on the Amazon desktop machine.

The portfolio setup spreadsheets are the sheets created in the standard error process above. Each run of Paars needs an ESG file. Run this step once for each ESG file you need to create.

The output directory should be the directory you created for this portfolio.

The program will tell you the name of the csv file created, based on the name in step 2.

Remember to check 'Conning' or 'AAA' depending on which set of scenarios you want to use.

At the end of each quarter, and certainly the end of each year, you should update the scenario data with new scenarios from Conning and AAA. Phil can do this.

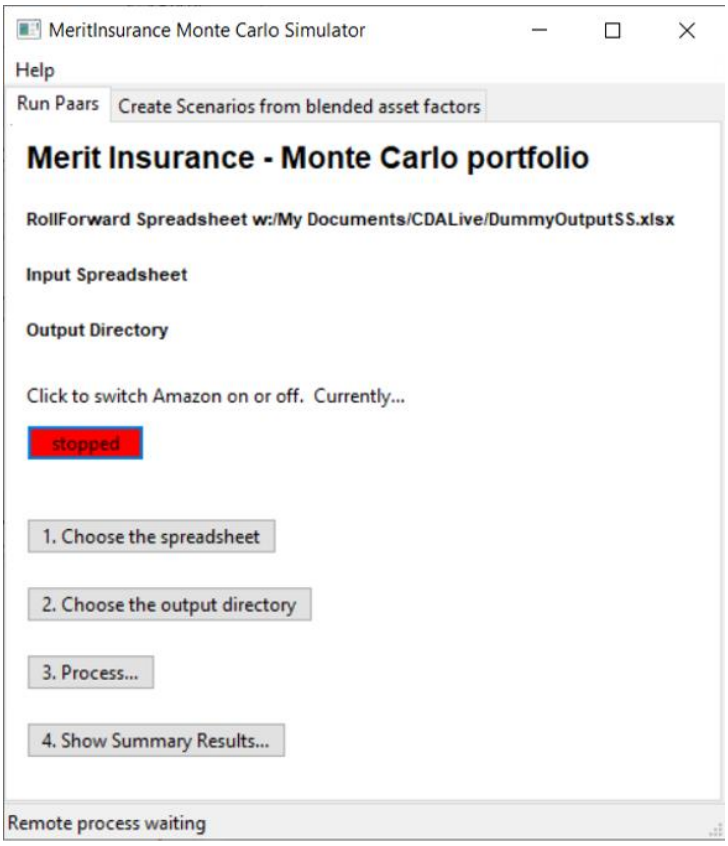
4. Create Standard.xlsx to control Paars

ScenarioName	1-AlphaZetaConn	2-AlphaZetaAAA
Description	The Alpha portfolio from Zeta Wealth Management Company. Conning ESG.	The Alpha portfolio from Zeta Wealth Management Company. AAA interest rate generator.
CsvFile	AlphaZetaConning.csv	AlphaZetaAAA.csv
Fund	$ 100,000	
Population	1	

Notes

There is one column for each run of Paars. In this case two styles are being run: a Conning Style and a AAA Style. You can run many portfolios at once if you like, just keep creating more columns 3,4,5,….

5. Run Paars



Notes

a) Start Amazon by clicking the button and waiting for it to turn green. You may have to wait a few seconds.

b) The spreadsheet required in Step 1 is Standard.xlsx

c) The directory required in Step 2 is the output directory you created earlier.

d) Make sure Standard.xlsx is in the directory along with each scenario file mentioned in Standard.xlsx

e) After you have clicked button 4, the file OutputResults.xlsx contains the summary output.

6. Miscellaneous

You can make things much easier between the Amazon Workspace machine and your own machine if you install Amazon Workdocs Drive. You need the same identifier used for WorkSpace, and it should create a W drive on your PC that you can use to move documents to and fro. The registration code is everything between the <> as follows: <SLiad+RURE6A>.

The drives and directories on WorkSpace are organized a bit oddly. Amazon hides your "C" drive, and all the documents are on your "D" Drive. The relevant files are in D:\Users\phjl\WorkDocs\CDALive\.

