

Chapter 14 - Portfolios & Transactions

What you will learn in this chapter:

- How to create portfolios
- How to record transactions
- How to organise multiple portfolios into Group portfolios
- How to create cash accounts and link them to portfolios
- How to add dividends to your portfolios automatically
- How to apply share splits and consolidations
- How to graph the value or profit of your portfolios
- How to graph your portfolios against relevant benchmarks.
- How to monitor your capital gains liability and print reports for each tax year to help in completing your tax return.

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Introduction

You can create unlimited portfolios in ShareScope. These can be investment portfolios, in which you record your transactions, or simply watchlists of instruments you are monitoring.

Although most brokers will provide you with online access to your transaction history, ShareScope provides significantly more functionality with regards to monitoring your performance and managing your capital tax liability.

If you have previously recorded your transactions in a spreadsheet, you can recreate your portfolio(s) in ShareScope.

You manage your investments through the following three **views** in ShareScope:

- **Portfolio view** – list of instruments added to your portfolio.
- **Transaction view** – list of the transactions you have recorded for each instrument.
- **Cash Account view** – list of cash credits and debits. Can be linked to a portfolio.

We'll cover these in more detail below, including how to navigate between them.

Multi-currency support

Before we start learning about portfolios, you'll need to understand how ShareScope treats instruments in different currencies.

When you create a portfolio in ShareScope, you will choose the portfolio currency. For most investors this will be Sterling but you may have investments denominated in Dollars, Euros or other currencies.

You can create portfolios for different currencies if you like but you don't have to. Whichever currency you choose, you can still add instruments which are denominated in a different currency. For example, your Sterling portfolio may include shares denominated in Euros and Dollars.

In the Portfolio view, the latest price of your holdings will be displayed in their native currency but the value of your holdings will be displayed in the chosen portfolio currency. This enables a total value to be displayed in the Summary line.

In the Transactions view, you can choose to display your transactions in the native currency or the portfolio currency. By default, transactions are displayed in their native currency.

The Latest line will provide a total in the portfolio currency.

The same applies to group portfolios where the chosen portfolio currency will override the portfolio currencies of the constituent portfolios.

Create a new portfolio

To create a new portfolio, click on the **Select Portfolio button** or press **F12**. Click on **New portfolio** and name your portfolio.

The default portfolio currency is *Sterling* but you can also select *Dollars* or *Euros*. If you need to, you can add additional currencies to this list - see **Add an exchange rate**.

By default, the **Enable multi-currency display** option is ticked which means that transactions in different currencies will be displayed in their original currency.

If you untick this box, transactions will be displayed in the portfolio currency. You can, however, double-click on a transaction to display the details in the original currency.

You can subsequently change the currency used by a portfolio by right-clicking in the portfolio or transaction screens and selecting **Portfolio management** and then clicking on **Set currency**.

When you create a new portfolio you will be given the option to create an attached cash account with the same name as the portfolio.

Once you have created a number of portfolios, you may want to organise them into **group portfolios**.

You can read below about ShareScope's Portfolio view after which you will want to add shares or other instruments to your portfolio and then record your transactions. Before you record any transactions, we recommend you read the section on **Cash accounts** first.

The Portfolio view

When you create a new portfolio, or view an existing portfolio, the **Portfolio** view will be displayed. This is essentially a variation of the List view which it replaces in the normal view cycling sequence:

Portfolio -> Graph -> (Intraday graph) -> Details ->

The only physical difference between the Portfolio view and a normal List view is the **Summary bar** which appears just above the column headings. By default this gives information such as the portfolio name, the numbers of shares held, the average share value, total and average capitalisation and portfolio currency. You may prefer to use the **Investment portfolio** summary bar which will display the current portfolio value, change in value and profit/loss. To choose this, right-click in the Portfolio view and select **Investment portfolio**.

To change the style and/or position of this Summary bar, or hide it completely, right-click in the **Portfolio** view, select **List design** and then click on the **Other** tab. Here, you can also select to use intraday prices for the valuations in the Summary bar (if you receive intraday data).

Like other Lists in ShareScope, you can add and remove columns to display the data of most interest to you. You can also add some Transaction columns to the Portfolio view. The majority of these are described in **Add columns to the Transactions view** but the following two columns are worth highlighting here:

Portfolio name – displays the name of the portfolio(s) that include each instrument. Particularly useful for Group portfolios.

Portfolio % - displays what percentage of the current portfolio that each instrument represents.

The general look and feel of the Portfolio view can be customised through the **List design** option on the context menu.

Add shares to a portfolio (from within a portfolio)

To add an instrument to a portfolio, from the Portfolio view, simply press the **CTRL** and **A** keys together. In the dialog box that is displayed, you can search for the instrument. By default, ShareScope will search its entire database but you can click on the **Find in list** button to select a narrower list (e.g. FTSE 100 or unit trusts).

Add shares to a portfolio (when not in the portfolio)

You can add instruments to a portfolio from the **List**, **Graph**, **Details**, **Level 2** and **Data Mining** views.

In the Graph, Details and Level 2 views, you can only add the currently displayed instrument.

In the List and Data Mining views, you can add a single instrument, multiple instruments or all instruments. You can also add all instruments above or below a selected instrument.

You can add the selected instrument(s) to the current portfolio, another portfolio or a new portfolio.

You can select multiple instruments using the standard Windows SHIFT-click, CTRL-click and click and drag commands.

To add the selected instrument(s) to the current portfolio, simply select the required instrument(s) and then press CTRL-A (The CTRL and A keys together).

There are a number of context menu options for adding instruments to portfolios and these are detailed in the table below. Right-click to display the context menu.

| Command/Menu | Sub-menu | View | Description |
|--|--------------------|---|---|
| CTRL-A | | List, Graph, Details, Level 2 and Data Mining | Add selected instrument(s) to the current portfolio. |
| Add selected share(s) to portfolio <name> | | List, Graph, Details, Level 2 and Data Mining | Add selected instrument(s) to the current portfolio. |
| Add all shares to portfolio <name>. | | List, Data Mining | Add all instruments to the current portfolio. |
| Add shares above (inc. selected) to portfolio <name> | | List, Data Mining | Add all instruments above and including the selected share to the current portfolio. |
| Add shares below (inc. selected) to portfolio <name> | | List, Data Mining | Add all instruments below and including the selected share to the current portfolio. |
| Add to another portfolio | Selected share(s) | List, Data Mining | Add selected instrument(s) to another portfolio or a new portfolio. |
| | All shares | List, Data Mining | Add all instruments to another portfolio or a new portfolio. |
| | Shares above (inc) | List, Data Mining | Add all instruments above and including the selected share to another portfolio or a new portfolio. |
| | Shares below (inc) | List, Data Mining | Add all instruments below and including the selected share to another portfolio or a new portfolio. |

Note: when you add shares to a portfolio from a different view, ShareScope won't display the portfolio afterwards.

Copy a share to another portfolio

You can copy an instrument and any associated transactions from one portfolio to another. Click on the share in the Portfolio view to select it. Right-click and select **Copy share to another portfolio**. You will be prompted to select the portfolio to copy to.

Move a share to another portfolio

You can move an instrument and any associated transactions from one portfolio to another. Click on the share in the Portfolio view to select it. Right-click and select **Move share to another portfolio**. You will be prompted to select the portfolio to copy to.

Create a group portfolio

Group portfolios can be used to organise and monitor a number of related portfolios. For example, you may have portfolios for different investment strategies, currencies, members of the family, etc. Group portfolios can be used to see your total holdings in each instrument or give a total value for the constituent portfolios and any linked cash accounts.

In a Group portfolio, the instruments and transactions of the constituent portfolios are listed together. You may wish to add the **Portfolio name** column to both the Portfolio and Transactions views so you can tell which portfolio each holding or transaction belongs to.

To create a new group portfolio, click on the **Select portfolio** button, select **New group** and enter a name.

As with individual portfolios, you will need to choose the portfolio currency (see Multi-currency support). This does not change the portfolio currency of the constituent portfolios.

After selecting the name and currency, a box appears allowing you to choose which portfolios are to be included in the group. To include a portfolio in the group, highlight the portfolio name in the left-hand window then click the single arrow button to move to the right-hand window. To add all your portfolios to the group, click the double-arrow button.

Once created, group portfolios can be identified by the word '[Group]' appearing after the portfolio name in the **Select portfolio** list. Group portfolios also have a unique icon.

Change the portfolios included in a group portfolio

Once you have created a group portfolio you can change which portfolios are included by right-clicking in the **Portfolio** view and selecting **Edit portfolios included** from the context menu.

Cash accounts

Cash accounts allow you to keep track of cash that is associated with your investments such as funds kept in cash, monthly contributions, realised profits and tax rebates. Transactions recorded in your portfolios can then be debited from or credited to a cash account.

You can create cash accounts in different currencies. For example, you could have Sterling, Dollar and Euro cash accounts all serving a multi-currency portfolio.

Cash accounts and portfolios in the same currency can be *attached* (linked together). This enables the value of the cash account(s) to be included in the portfolio valuation. Each cash account can only be linked to a single portfolio but you can have multiple cash accounts (up to 30) linked to the same portfolio.

When you create a new portfolio you will be given the option to create an attached cash account with the same name as the portfolio.

You do not have to use cash accounts and you can add them retrospectively.

Below is a summary of how cash accounts and portfolios can be organised:

- Scenario 1: Cash account linked to portfolio
- Scenario 2: Cash account servicing multiple portfolios
- Scenario 3: Multiple cash accounts linked to portfolio
- Scenario 4: Multiple cash accounts (multi-currencies) servicing a portfolio

Create a Cash Account

Cash accounts can be created from the Portfolio or Transactions views: right-click and select **View cash account** then **Select cash account** and finally click on **New account**.

To create a new cash account in a *new window* (Plus/Pro), click on the **View** menu, then **New window**, then **Select cash account**, and finally **New account**.

In either case, the following dialog box will be displayed:

1. Enter a name for the cash account.
2. Select the currency for your cash account. By default, Sterling, Euro and Dollar are offered. You can add more currencies to this list if required (see **Add an exchange rate**).
3. Select **Attach to only one portfolio** if you want the account to be associated with a single portfolio only.
4. Select the portfolio from the drop-down list underneath.
5. Click on OK to display the new cash account.

Right-click in the screen for options to add a debit or credit, edit and delete entries or create, rename and delete cash accounts.

Items here appear in date order with the most recent date at the bottom. You can sort by all columns except Balance. Portfolio transactions are sorted by *time* in cash accounts, so that multiple intraday transactions appear in the order in which they were executed.

Attach an existing cash account to a portfolio

Attaching a cash account means assigning it **exclusively** to a single portfolio. Therefore, if it already contains details of transactions from other portfolios you will be asked if you want to retain or lose these details. Obviously, if you intend to include the balance of the cash account in the portfolio valuation, then retaining these details will render the valuation meaningless.

When you attach a cash account to a portfolio, you will be asked if you want to assign any unassigned transactions to the cash account. You can manually assign existing transactions afterwards if you are not sure. See **Retrospectively assign transactions to a cash account**.

To attach an existing cash account:

1. Make sure you are in the cash account.
2. Right-click and select **Change attachment**.
3. Click on **Attach to only one portfolio** and select the required portfolio from the drop-down list underneath.

4. Click on **OK**.
5. Respond as appropriate to any question related to existing transactions in the portfolio or cash account.

Change the portfolio that a cash account is assigned to

Before you change the portfolio to which a cash account is attached, consider the implications: details of all transactions related to the current attached portfolio will be removed from the cash account.

1. Make sure you are in the cash account.
2. Right-click and select **Change attachment**.
3. Choose a different portfolio from the drop-down menu.

Retrospectively assign transactions to a cash account

To attach existing share transactions to a cash account, go to the **Transactions** view of the attached portfolio and double-click on the relevant transaction. The **Record a transaction** dialog will be displayed showing the transactions details. You can assign the transaction to a cash account using the drop-down menu on the left-hand side.

Transactions view

Consider ShareScope's **Portfolio** and **Transactions** views as two sides of the same page. The Portfolio view, on the front, is a list of the instruments that you have added to the portfolio. The Transactions view, on the back, is a record of your purchases and sales in each instrument, and of dividends received.

If your investments are not held in a tax-free wrapper (like an ISA or SIPP) the Transactions view will also help you manage your capital gains tax liability through the tax year and help you complete your tax return.

There are a large number of transaction-related columns you can add to the Transactions view. This may seem confusing but they all serve a specific purpose. See **Add columns to the Transactions view** later in this chapter.

The Transactions view includes a **Latest line** (summary) for each holding, a **Totals line**, and a **Cash account line** for any attached cash accounts. Note that the Latest and Cash account lines are only displayed when the view is sorted by the **Name** column. Sort by any other column and they disappear.

If you have a numerical keypad on your keyboard you can quickly switch from the Portfolio view to Transactions by pressing the + (plus) key. Press the – (minus) key or F11 to return to the Portfolio view.

Record a transaction

ShareScope enables you to record any type of transaction. In this section we will describe how to record a simple purchase or sale of shares or units in a fund. For recording dividends, see **Record a dividend**. For other transaction types, such as purchases of bonds, spread bets or corporate actions such as stock splits and consolidations, see **Other transaction types**.

You can record a transaction from the Portfolio view or Transactions view. Right-click in the **Portfolio** view and you will find the options for **Buy**, **Sell** and **Dividend** on the context menu. The Transactions view menu has the additional options **Other transaction** and **Market orders**.

Selecting any of these options will display the **Record a transaction** dialog with some of the fields pre-selected. You can change the transaction type in this dialog anyway.

1. ShareScope will automatically enter the instrument name, share type, transaction type, currency, current price, date and time.
2. Assign the transaction to a cash account (this is optional). Buy transactions will be debited from the cash account; sale transactions will be credited to it. You can only select cash accounts in the same currency.
3. ShareScope will automatically select the native currency of the instrument. You can select a different currency if preferred (e.g. the portfolio currency). ShareScope's multi-currency support enables you to record transactions in different currencies. In the **Latest** and **Total** lines, all values are displayed in the portfolio currency.
4. Enter the number of shares bought or sold.
5. Enter any charges incurred. This too is optional but it gives you a complete view of your costs and the profitability of your trades.
6. Amend the date if necessary.
7. Amend the time if you want/have this level of detail.

8. You may also add a note (e.g. why you bought or sold the shares) or reference. You can display these notes and references in the Transaction view by adding the **Note 1** or **Reference** columns.
9. There are a number of additional options relating to Capital Gains Tax. Click on **Show CGT** to display these. They are described in more detail in **Other Transactions: Record a transaction – CGT**.

To view your transaction, right-click in the Portfolio view and select **Transactions**. Alternatively, press the + key.

Customise the Transactions view

There are seven ways to customise the Transactions view:

- **Add different columns** – there are a large number of transaction-related columns you can add. See **Add columns to the Transaction view** below.
- **Use latest intraday prices** – if you receive intraday data, you can use the latest prices for valuing your holdings. The bid price will be used to value long investments; the offer for short positions. Right-click in the Transactions view, select **List design** and then click on the **Other** tab.
- **Change the style and position of the Summary line, or hide it completely** – right-click in the Transactions view, select **List design** and then click on the **Other** tab.
- **Show/hide total and cash account lines** – by default, a total line and a line for each attached cash account will be displayed at the foot of your transactions. Right-click in the Transactions view, select **List design** and then click on the **Other** tab.
- **Show/hide transactions** – you can choose to display just the Latest line for each holding. Right-click in the Transactions view and select **Show latest only**.
- **Sort within share** – this option enables you to sort per holding using any of the columns in your table. In this mode, the Latest lines will remain in view. Right-click in the Transactions view and select **Sort within share**. You will need to re-sort afterwards.
- **Change the font and colours used in the Transactions view** - right-click in the Transactions view and select **List design**.

Add columns to the Transactions view

There are a large number of transaction-related columns you can add to the Transactions view. This may seem confusing but they all serve a specific purpose.

To add a column to the Transactions view, right-click in the existing column headings and choose from the three column submenus: **General**, **Price** and **Transaction**.

To save space, columns that require no further explanation (e.g. transaction type) have not been covered here. Columns that are not related to transactions are covered elsewhere. You can also find details in ShareScope's Help. Position the mouse over a menu item and press F1 to display context-sensitive help.

KEY CONCEPT When you make multiple purchases of an instrument it is likely that the unit cost will be different on each date. For example, you may buy 100 shares at 10p, 100 shares at 11p and 100 shares at 12p.

This has implications for how you calculate your profit. Profit is, of course, the difference between the price you paid for the shares and the price you receive for them.

When you calculate profit for Capital Gains Tax purposes, you are required to use a **pooled** (average) cost. In our simple example above, the pooled cost of a share is 11p.

An alternative method for calculating profit is to use the **first in, first out** costing method (or **FIFO**). Again, using our example, if you were to sell 50 shares you would use the cost of the first 50 shares purchased (10p). If you were to sell 150 shares, your cost would be $(100 \times 10p) + (50 \times 11p)$.

These are simple examples; normally purchase and sales charges would be included in the calculation.

Cost and Value columns

The information you display with regards to the cost and value of your investments can depend on personal taste and whether your investments are tax-liable or not. These columns can be found on the **Add Transaction column** menu (with the exception of **Price on date** which is found on the **Add Price column** menu).

Note: In V6.20, the **Cost/Value** column has been renamed **Cost/Value (Average)**. This column can sometimes give inaccurate values so we recommend that you substitute this column with one of the new columns below.

| Column | Description |
|---------------------------------|---|
| Price per share | This column displays the execution buy or sell price of the instrument. The Latest line shows the average purchase price. |
| Price on date | This displays the closing price of the instrument on the date of the transaction. The Latest line shows the current price of the instrument. |
| Book cost (Pooled) | This column displays the costs allocated to each transaction. The costs will include charges if recorded. For sale transactions, the cost is the original cost of the shares (including charges) based on an averaged (pooled) price – as used in CGT calculations. The Latest line for each instrument will show the costs associated with your current holdings only. If you haven't sold any of your holdings then the figure will be a total of all costs. If you have sold all your holdings, the value will be zero. |
| Book cost (FIFO) | This column displays the same as above but in this case costs are calculated on a FIFO basis. |
| Total book cost (Pooled) | This column is similar to Book cost (Pooled) but shows cumulative costs (i.e. the cumulative cost for the most recent transaction will be the same as the cost on the Latest line). |
| Total book cost (FIFO) | This column displays the same as above but in this case costs are calculated on a FIFO basis. |
| Cost/Value (Pooled) | This column displays the cost of buy transactions and the value of sales transactions. The value of dividends received is also displayed. The Latest line for each instrument will show the costs associated with your current holdings on a pooled basis. If you haven't sold any of your holdings then the figure will be a total of all costs. If you have sold all your holdings, the value will be zero. |
| Cost/Value (FIFO) | This column displays the same as above but in this case costs are calculated on a FIFO basis. |
| Value | Displays the value of current holdings based on the current share price in the Latest line only. |
| Value on any date | Enables you to display the value of your holdings on a specific date (e.g. the start of the tax year) or to show the price change between two dates (e.g. the start of the year and the current day). |
| Dividend | This column displays the value of any dividends received. The Latest line will give a total value. |

Performance Columns

In ShareScope you can display the realised profit/loss from your transactions and the unrealised (potential) profit/loss on current holdings.

Most investors will be interested in their profit/loss on a FIFO basis so this is how ShareScope's profit/loss and return columns are calculated. If you wish to see your profit/loss based on a pooled cost basis, see the next section on **Tax-related Columns**. The following profit/loss columns using the FIFO costing method can be added from the **Add Transaction column** submenu:

Note: if you are using the existing **Return %** column, we recommend that you replace it with one of the new columns below.

| Column | Cost method | Description |
|-------------------------------|-------------|--|
| Realised Profit/Loss | FIFO | This column displays the realised profit/loss for each sale transaction based on a FIFO (first in, first out) basis. The Latest line will display the total including dividends. Where charges are recorded they are included in the costs. |
| Realised Return % | FIFO | This column shows the actual return from the shares that you have sold and from dividends received. Costs are allocated on a FIFO (first in, first out) basis. This column is designed as a replacement for the existing Return % column. It is important to note that the Latest line displays the total realised return as a percentage of your total investment in the instrument. |
| Unrealised Profit/loss | FIFO | This column displays the unrealised profit/loss for existing holdings based on a FIFO (first in, first out) basis. Where charges are recorded they are included in the costs. |
| Unrealised Return % | FIFO | This shows the unrealised return on your current holdings if you sold them at the current closing price. It is important to note that the Latest line displays the total unrealised return as a percentage of your total investment in the instrument. |
| Profit/loss | FIFO | This column displays the realised profit/loss of sale transactions and dividends, and the unrealised profit from existing holdings. The Latest line totals the realised profit and any unrealised profit. Profits are calculated on a FIFO basis. |
| Total return % | FIFO | This column combines your realised or unrealised return to provide a total % return on the Latest line . Realised and unrealised returns are expressed as a percentage of the total costs. Returns are calculated on a FIFO basis. |
| Annualised return % | FIFO | Annualised Return shows the average annual return for each holding. It combines realised and unrealised returns as well as dividends received and is displayed in the Latest line only. It averages the return over the period between the first purchase and the latest price date. |

Tax-related Columns

In order to calculate your capital gains liability, ShareScope can also calculate your profit/loss using the pooled cost method. There are three columns you can add from the **Add Transaction column** submenu:

| Column | Cost method | Description |
|------------------------------|-------------|---|
| CGT before losses | Pooled | This column displays the realised capital gain/loss for each sale transaction. Double-click on the value to display a Capital Gains Report for that share. This report will show you how the taxable gains are calculated. The Latest line will display the unrealised (potential) capital gain/loss if you sold all current holdings at the current price. |
| CGT after losses | Pooled | This column applies, firstly, any losses incurred in the current tax year and then, secondly, any losses incurred in a previous tax year until the capital gains are brought below the threshold. The Latest line will display the unrealised (potential) capital gain/loss if you sold all current holdings at the current price. Note that you can allocate losses from one tax year into another (see Losses carried forward below). If you have multiple taxable portfolios, you may consider adding them all to a group portfolio in order to calculate your overall tax position. |
| Annual book gain/loss | Pooled | This column displays the realised profit/loss per holding on an average cost basis. Effectively, it calculates your capital gain/loss. Where you have multiple sales of a holding in the same tax year, the annual book/gain loss will be displayed against the last transaction. Where you have transactions across multiple tax years, a value will be displayed for each tax year. Double-click on a value to display a Capital Gains report for that holding showing how the value was derived. The Latest line will display unrealised profit/loss if you sold all current holdings at the current price. |

NOTE: ShareScope produces two reports to help you complete your tax return. The **Capital Gains Report** details your liabilities for the current tax year (you can view reports for previous years as well). This report does not include dividends. A separate **Dividends Report** will detail all dividends received in the current tax year (you can view reports for previous years as well). Both reports can be viewed by right-clicking in the Transactions view and selecting **Capital gains** or **Dividend report** from the menu.

Record dividends

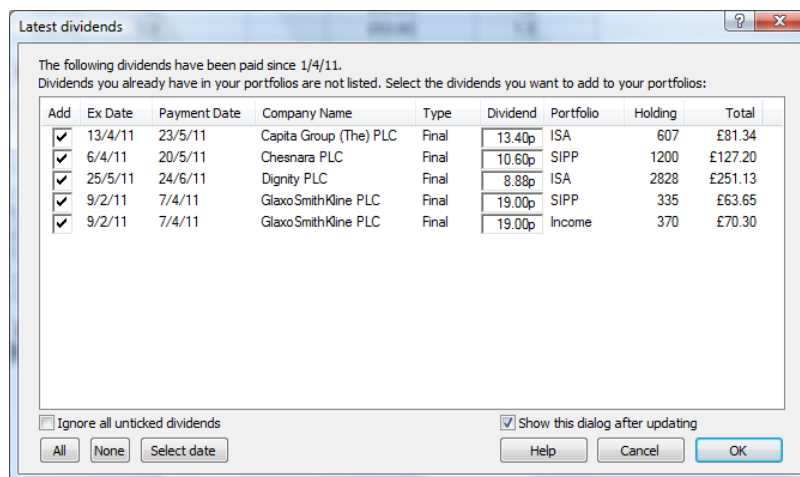
You can add dividend payments to your portfolios manually or ShareScope can do it for you. If the latter, you will still retain control over which dividends are added.

Check for dividends

You can get ShareScope to check for dividends paid out during a specified time period and add them to your portfolio. You can do this on a regular basis to save having to enter them manually. It is particularly useful if you have retrospectively recorded a transaction history and need to record the dividends received.

To perform this check on an ad hoc basis, right-click in the Portfolio or Transactions view and select **Show latest dividends**.

When the check has been performed, ShareScope will display a list of dividends that have been paid out by your current holdings in the period checked. You can see an example below:



By default, ShareScope will check the period since you last performed the check. The first time you run the check, it will check the period since the last update. If you want to check a shorter or longer period, click on the **Select date** button in the bottom left.

ShareScope will check your portfolios and exclude any dividends, if any, which have already been added.

ShareScope will add any dividends with a tick next to them. By default, all will be ticked. If there are any dividends that you do NOT want to add to your portfolio(s), remove the ticks next to them by clicking on them.

IMPORTANT: If you are sure you do not want to add the unticked dividends, click on the **Ignore all unticked dividends** tickbox. Otherwise, any unticked dividends will be displayed again the next time you perform this dividend check.

You can untick all the dividends by clicking on the **None** button; you can tick them all by clicking on the **All** button. Click on **OK** to add the dividends.

Automatically added dividends can be edited by going to the **Transactions** view and double-clicking on the dividend transaction. For example you may want to assign a cash account or change the tax paid on the dividend. If you have a single cash account attached to the portfolio, the dividends will be credited automatically.

Automatically check for dividends

You can configure ShareScope to perform the dividend check every time you update. Click on the **Tools** menu, then **Options**, then the **Portfolios & Transactions** tab. Click on the **Offer to add new dividends to Portfolios after update** option (it is enabled when ticked).

Note: this will not work if you have enabled automatic updates.

Manually record a dividend

To manually record a dividend payment:

1. In the **Portfolio** or **Transactions** view, click on the relevant instrument,
2. Right-click and select **Dividend** from the context menu.
3. The **Record a transaction** dialog will be displayed with some of the fields pre-selected.
4. Set the correct date.
5. Be careful! ShareScope will automatically enter the current number of shares held. If you have recorded multiple purchases of an instrument, and are back-dating dividend payments, make sure you enter the correct number of shares held at the ex-dividend date.
6. You can enter either the total dividend payment received or the amount per share; ShareScope will automatically calculate the other.
7. ShareScope reports dividends net of the 10% tax levied by the UK Government on basic rate taxpayers. This is displayed in the **Tax rate %** field. If you are in a higher tax bracket, or receive shares on foreign shares, you may need to change this rate.
8. In the **Tax credit** field, ShareScope calculates the tax you have paid.
9. You may wish to assign the dividend payment to a cash account. The total amount will be credited to the cash account.
10. Click on **OK** to add the transaction.

Other transaction types

- For buying or selling fixed income instruments, read **Transactions in Gilts & Corporate Bonds** first.
- If you want to record a spread bet, read **Recording Spread Bets** beforehand.
- For recording dividend payments, read **Recording Dividends**.
- For pre-recording a market order, see **Market orders**.
- For help with other transaction types, such as share splits and consolidations, see **Other Transaction Types**.

Transactions in Gilts & Corporate Bonds

Most sources quote gilt and corporate bond prices as the price per £100 nominal which means that the price shown is what £100 purchased at issue is now valued at. However, the nominal price of each unit is £1 so the number of units purchased will reflect this.

For example: you invest £12,500 in a bond quoted at £125 per unit. You have actually bought 10,000 units (10,000 x £1.25).

ShareScope will always display the Price per £100 nominal but it enables you to enter the transaction at the price per £1 nominal if preferred.

In the **Record a transaction** dialog, a button will appear next to the **Price per share** field. The default option is **Price per £100 nominal**. Using the above example, in this mode you would enter the price as £125 and the number of units as 100.

However, if you click on the button it will change to **Price per £1 nominal**. In this mode, you would enter the purchase price as **£1.25** and the number of units as **10,000**.

Once entered you can toggle the button and the price and number will change accordingly.

Record Spread Bets

There are two things to consider when entering spread bet transactions into ShareScope. The first is with spread bets on rolling spreads – these are generally closed out each evening and re-opened the next day. To mirror your profit/loss from your spread betting account you may want to enter a buy/sell transaction each day to show the profit/loss for each day. Alternatively you can just enter the initial buy/sell and wait until you've closed the bet before closing the transaction in ShareScope.

The second consideration you need to make is in relation to entering spread bets on future contracts. ShareScope does not include any future pricing on shares, and only minimal pricing on index futures. As such you will either need to create new shares in ShareScope to record the transactions against, or be aware that if you use the cash instrument then any unrealised profit/loss will not accurately reflect what your spread bet account is telling you.

When entering your transaction you need to know three things:

1. the price bet per point
2. the value of a point
3. the buy/sell price

The amount you bet per point is entered in the transaction as the number of shares purchased. However, the exact amount to enter here depends on the value of a point of the instrument bet on.

For shares, the value of a point is normally equal to one pence/cent. For most indices, a one point movement is a change in value of 1. For exchange rates it can vary, so one point may be a movement of 0.0001 in the exchange rate.

A bet of £5 per point on a share is equivalent to 500 shares (i.e. if the share price goes up 1p, you gain $500 \times 1p = 500p$).

A bet of £5 per point on an index would be equivalent to 5 shares.

A bet of £5 per point on GBPUSD would be equivalent to 5,000,000 shares

When recording the transaction, work out the correct number of shares based on the value of a point and the price you've bet per point. Record your buy/sell price as the price per share, and all other fields except the date and possibly the time are irrelevant.

To make adjustments for financing, use the Other cost or Other return transaction which will adjust your profit/loss accordingly.

Note: If you enter a transaction to sell shares that you do not already own, ShareScope will treat this as a short position. Subsequently buying any number of shares up to the quantity shorted will be treated as covering all or part of the position.

Market Orders

Market orders are transaction types offered by most brokers. They enable you to place an order to buy or sell at the current best bid or offer, or to specify a price limit. That is, when you place the order you will not know the exact execution price. You may use these order types when placing an order with your broker outside of trading hours.

ShareScope enables you to add market order transactions to your portfolio. To do this, select the instrument in the Transactions view, right-click and select **Market orders**. Choose the required transaction type from the sub-menu. The minimum information you need to provide is the number of shares. You can enter an expected/target price but this is optional.

Market orders have no effect on the value of your portfolio until you confirm the transaction. To do this, double-click on the transaction to edit it. Change the **Transaction type** to **Buy** or **Sell** (as appropriate) and enter the execution price of the shares.

Other Transaction Types

You can record the following transaction types by right-clicking in the Transactions view and selecting **Other transaction**.

| | |
|-----------------------------|--|
| Take up rights | Take up the right to buy shares at a special price. Recorded similar to a normal buy transaction. |
| Sell nil paid rights | Sell the right to acquire shares at a special price. Record similar to a sell transaction but doesn't reduce the number of shares held. |
| Scrip dividend | Acquire shares in lieu of a dividend. You simply need to add the number of shares and the date. The total value of the shares will be treated as profit. |
| Initial payment | Where shares are paid for in instalments (e.g. in a privatisation). Enter the number of shares, the date and the initial payment. |
| Part payment | Subsequent to an Initial payment, you can record additional part payments. Must record an initial part payment transaction or ShareScope will not associate the payments together or include the amount in your costs. |
| Share split | Adjust your previous transactions for a share split. Enter the adjustment ratio or the number of shares now held. |
| Share consolidation | Adjust your previous transactions for a share consolidation. Enter the adjustment ratio or the number of shares now held. |
| Other acquisition | Use this for any other type of share acquisition (e.g. scrip issues, free shares, options). |
| Other disposal | Use this for any other disposal of shares (e.g. gifts) |
| Other return | Use this to record any other receipts (e.g. tax rebates, bonuses). |
| Other cost | For example: annual broker costs, subscriptions. The minimum you need to enter is the value of the cost. |

Record a transaction - CGT

When you record a transaction, there are a number of additional options relevant to investors who are liable for capital gains tax. To view these options, click on the **Show CGT** button in the **Record a transaction** dialog.

You can set the transaction to be ignored or partially ignored when calculating CGT. This might typically be if roll-over relief is applicable.

A receipt can be treated as a 'small receipt' if it is less than 5% of the value or less than £3,000. It is then subtracted from the cost base of the share.

If shares are held prior to 6th April 1982 they can be revalued to their value on 30th March 1982.

Universal rebase is an irrevocable election option to use the cost base for all shares held on 6th April 1982 as their value on 30th March 1982.

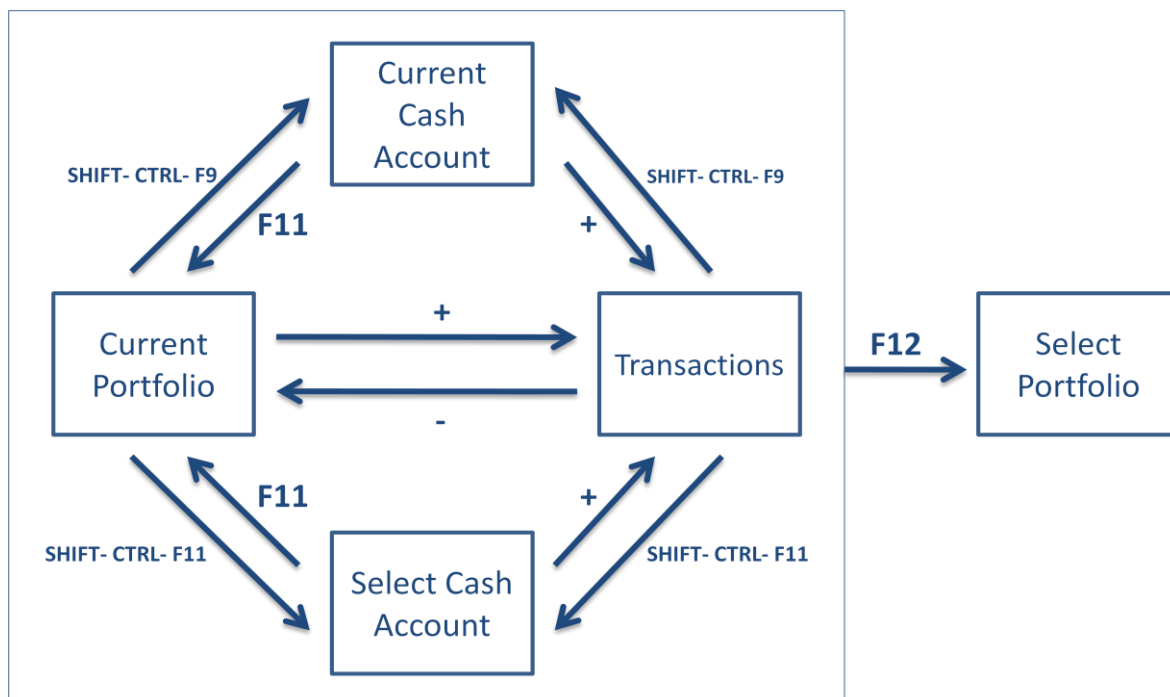
Navigation between portfolios, transactions & cash accounts

KEY CONCEPT: In ShareScope, the last portfolio you looked at is referred to as the **Current portfolio**. If you only have one portfolio, the current portfolio will always be this one. In any view, pressing the F11 button will display the current portfolio. Likewise, the last cash account you looked at is called the **Current cash account**.

You can navigate between portfolios, transactions and cash accounts with the keyboard shortcuts shown in the diagram below. If you use Portfolios often, you might also like to add the toolbar buttons for these actions:



To add buttons to a toolbar, see **Customising Toolbars**. You'll find all these buttons on the **View** tab.



Manage your Capital Gains Tax

ShareScope enables you to view and print capital gains reports for the current tax year or any other tax year for which you have recorded transactions. You can factor in a single CGT allowance, add a spouse's allowance, ignore the allowance and carry losses forward.

Capital gains reports are generated per portfolio. To get an overall tax position, you may prefer to put all your portfolios into a group portfolio before generating the report.

Capital gains reports do not include dividends. A separate **Dividends Report** details all dividends received in the specified tax year. Right-click in the Transactions view and select **Dividend report**.

You can also create a report for a specific holding within a portfolio or for the entire history of a portfolio.

To generate a capital gains report, right-click in the Transactions view and select **Capital gains**. From the sub-menu select the type of report you want. A dialog will be displayed containing the report which you can choose to print.

Capital gains allowance

By default, ShareScope assumes that you have no other income which attracts capital gains tax (i.e. it will allocate liabilities only after the capital gains threshold has been exceeded). You can choose to ignore the threshold, if you have already exceeded it, or to add a spouse's allowance if applicable.

In the capital gains report, click on the **Summary** button to see a summary of your tax position for the year or to change how your CGT threshold is treated.

Losses carried forward

For Capital Gains Tax purposes, any losses occurring in a tax year are offset against gains in the same tax year. Where the gains are below the threshold, any remaining losses are automatically carried forward by ShareScope to the next tax year.

When completing the Capital Gains section of your tax return, there may be other factors that impact on your overall loss amount for the year (for example, if you've sold any property in the same year).

If your losses carried forward amount is affected, you are able to manually adjust the figure in ShareScope so that the correct loss amount is carried forward to the next tax year.

Right click in the Transactions view, go to **Capital Gains** and select **Adjust losses**.

If losses are already recorded you will see the amount of the loss being carried forward beside the tax year it will be applied to. For example, if you incurred a loss in the 2009/2010 tax year of £1,050 which has been carried forward to the next tax year, then your Losses carried forward dialog will show 'Year 2010/2011 £1,050'.

If you'd calculated the actual loss to be carried forward to the 2010/2011 as a different amount, say £2,200, you need to type this into the Override box for the 2009/2010 tax year.

Monitor the performance of your portfolio

Your portfolios will show the realised and unrealised return from your individual investments and the current value of your holdings and cash. ShareScope also enables you to find the value of your portfolio on a specific date (e.g. the end of the calendar year or tax year), graph your portfolio, compare it to a benchmark index, and analyse the sector diversification of your equity holdings.

Find the value of a portfolio on a specific date

Right-click in the Portfolio view and select **Value at a date**. In the dialog box that appears, click on the Dates button and set the required date. The value of all holdings held on that date and any attached cash accounts will be displayed. Alternatively, you could add the **Value on any date** column to the Portfolio or Transactions view.

Graph a portfolio

You can graph a portfolio in four ways:

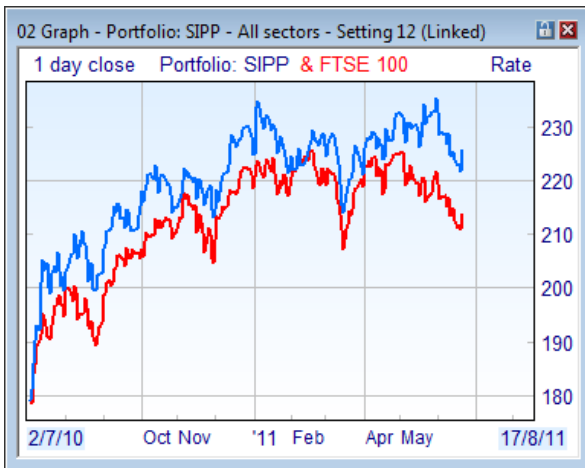
- **Graph value** – displays a graph of the value of your portfolio since the date of the first recorded transaction. The value will be based on realised and unrealised profit (loss). The value of any foreign currency holdings or profits will be converted using the daily exchange rate.
- **Graph profit** – similar to above but graphs the daily profit (loss) since the date of the first transaction recorded in the portfolio.
- **Graph shares (weighted by cap.)** – effectively creates an index comprising the shares in your portfolio weighted by capitalisation. The effect of weighting is that the price movement of larger companies has more effect than the price movement of smaller companies.
- **Graph shares (not weighted)** - creates an index comprising the shares in your portfolio weighted by last percentage price change.

All graphs are displayed as a closing price line. All four graphs are available on the Portfolio context menu; the **Graph value** and **Graph profit** options are also available on the Transactions context menu. You can apply any of your Graph settings or create a new one specifically for portfolios.

Measure your portfolio against a benchmark

Most investors aim to beat the market (i.e. a suitable benchmark index). For example, if you invest in large-cap UK shares your benchmark would probably be the FTSE 100. It may be appropriate to use a different benchmark for each of your portfolios. In ShareScope it is easy to graph your portfolio against another index or instrument.

You can either do a **simple overlay** where the benchmark index is rebased to the starting point of your portfolio graph, or you can draw the **percentage performance** of your portfolio against the selected benchmark. The screen shots below illustrate the difference between the two graph types.



Benchmark index overlaid on portfolio graph
(with original graph shown)



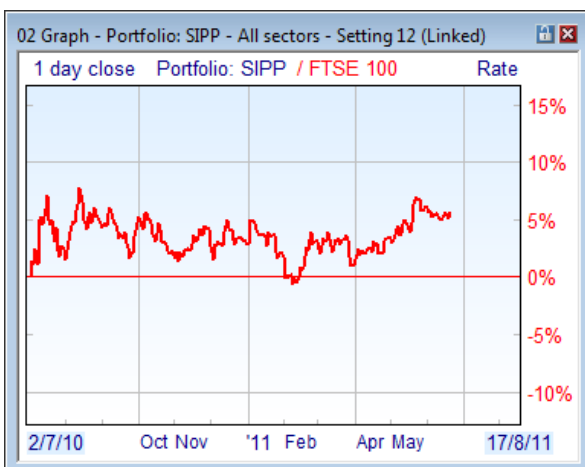
Portfolio performance relative to benchmark index

In your portfolio graph, right-click and select **Additional graphs** from the context menu. In the dialog box that appears, click on **Add**.

If you want to add a simple overlay, select **Add a share or index** and then search for the index or instrument required. If you are looking for an index, click on the **Find in list** button and select the **Indices** list. If you want to add the FTSE 100, select **Add FTSE 100** from the menu instead.

Note: you can also use this feature to graph a portfolio against the benchmark index.

If you want to show the percentage performance, click on the **Add** button and then select **Price relative to**. Again, you will need to select the index or instrument to compare your performance against. You will be asked to select the colour and style of the graph. You'll notice on the screen shot above that ShareScope leaves the original portfolio graph on the price relative graph. This can look messy if the two graphs overlay each other. Remove the original graph by clicking on the **Tools** menu, then **Options**, then the **Graph** tab and de-selecting **Show original and deflated**. You'll get something like this:



Portfolio performance relative to benchmark index
(with original graph removed)

Portfolio diversification

The **Sector Analysis** dialog box offers a breakdown by sector of the shares within a list or portfolio.

Note: this analysis will only cover company shares. It will not cover unit trusts/OEICs, bonds or foreign exchange. Investment trusts will be classified as **Equity investment instruments** and exchange traded funds (ETFs) will be classified as **Non-equity investment instruments**.

For an ordinary list, company capitalisation is broken down by industry, sector, subsector, supersector or company and may be displayed as a pie chart or as a grouped list.

For a portfolio, either capitalisation or the size of your holding in each share may be broken down by industry, supersector, sector, subsector or company. Again, this breakdown may be displayed as a pie chart or as a grouped list.

You can therefore use this option to view the importance of an individual share or sector within the list you are currently viewing. You can also use this option to view the spread of your holdings across a variety of sectors, analysing the balance and risks involved in your portfolio.

Pie charts may be displayed with or without a legend, in a 3D view, or flat, and may be printed. The colours used for an individual pie chart may be edited by clicking on the legend colour buttons.

Grouped lists may be sorted within each sector-based group on name, capitalisation/holding size, or percentage. In order to perform a sort (or reverse the sort order), you simply need to left-click on the relevant column heading.

Portfolio management

ShareScope provides a suite of tools for managing your portfolios. These can be accessed by right-clicking in the Portfolio or Transactions views and selecting **Portfolio management**.

You'll notice that it is actually an expansion of the **Select portfolio** dialog. Clicking on the **More >>** button in this dialog will reveal the same options.

The **Expand folders** and **Collapse folders** buttons enable you to open or close any folders you have created.

Select the required portfolio before clicking on any of the other options. You can select multiple portfolios for **Move**, **Delete** and **Revert to saved** operations using the standard Windows SHIFT-click and CTRL-click.

To create a new folder, select a portfolio and click on the **Move to folder** button. You will be able to select an existing folder or create a new one.

If you want to create a new folder inside an existing folder, click on the folder first and then select **New folder**. This will enter the correct path name in the portfolio folder name field. Alternatively, enter the *path name* in the format:

```
folder1\folder2\newfilename
```

The **Revert to saved** button returns the currently selected portfolio to its last saved status. ShareScope saves your changes when you close the program down, perform an update, or click on **Save** on the File menu.

The **Set currency** button enables you to change the currency of the currently selected portfolio. If you want to set the currency to anything other than Sterling, Dollar or Euro, see **Add an exchange rate**.

The **Edit group** button only becomes active when you have selected a Group portfolio. It enables you to change the constituent portfolios.

The **Options** button is the same dialog accessed via **Tools -> Options -> Portfolios & Transactions** and is covered in the section **Portfolio Options**.

Add an exchange rate

ShareScope first converts a currency into US Dollars and then into Sterling. This is simply because it has more USD foreign exchange pairs than Sterling. If ShareScope already includes the exchange rate between the desired currency and the Dollar, you can use this. If not, you will need to manually add it. For example, if the instrument was priced in Thai Baht (THB), you would need to add the USD/THB exchange rate.

To add an exchange rate:

1. Click on the **Tools** menu.
2. Click on **Options**.
3. Click on the **Currencies** tab.
4. Click on **Show all** to display all currencies.
5. Scroll down to find the required currency and then double-click on it. An **Edit** button will appear – click on this.
6. *If ShareScope does not provide an exchange rate for this currency, click on **Fixed rate** and enter a value in the box provided.*
7. *If ShareScope does provide an exchange rate for this currency, select **Use data from this item** and then click on **Not set**. Search for the currency pair (e.g. USDCHF).*
8. Click on **Include in my list of selected currencies**.
9. Click on **OK**.
10. Click on **OK**.

If you have added the exchange rate manually, you can update it whenever you like by repeating the process above.

If you are likely to be a regular and/or long-term holder of shares in the currency, you should consider adding the foreign currency pair as an instrument and maintaining the exchange rate on a daily or weekly basis. See **Add a new currency pair**.

Add a new currency pair

New instruments can be entered manually into ShareScope. This is useful if you want to add an investment, index or exchange rate not included in ShareScope. These manually entered instruments are termed **imported data**.

From the **Edit** menu, choose **Add new data**.

Enter the share name and any other fundamental information you wish.

Go to the **Share Price** tab and enter price data by double-clicking on the relevant cell. Prices should be entered in the minor currency unit (e.g. pence).

You may enter as much or as little data as you wish. You may use the built-in tools to adjust all prices by a factor, interpolate between figures and detect price glitches.

You can also use the dialog to add OHLCV data manually by deselecting **Display Close Only**. You can use the **Tab** key to move between values. **Esc** cancels the current edit.

Once done, click **OK** and the new item will then appear in the **All** list where you will be able to find it and add it to a portfolio in the usual way. You can also see a list of imported data only by selecting **Imported data** from the View menu, or by pressing **Shift + F11**. Double-click on an imported instrument to edit it (e.g. to add the latest price).

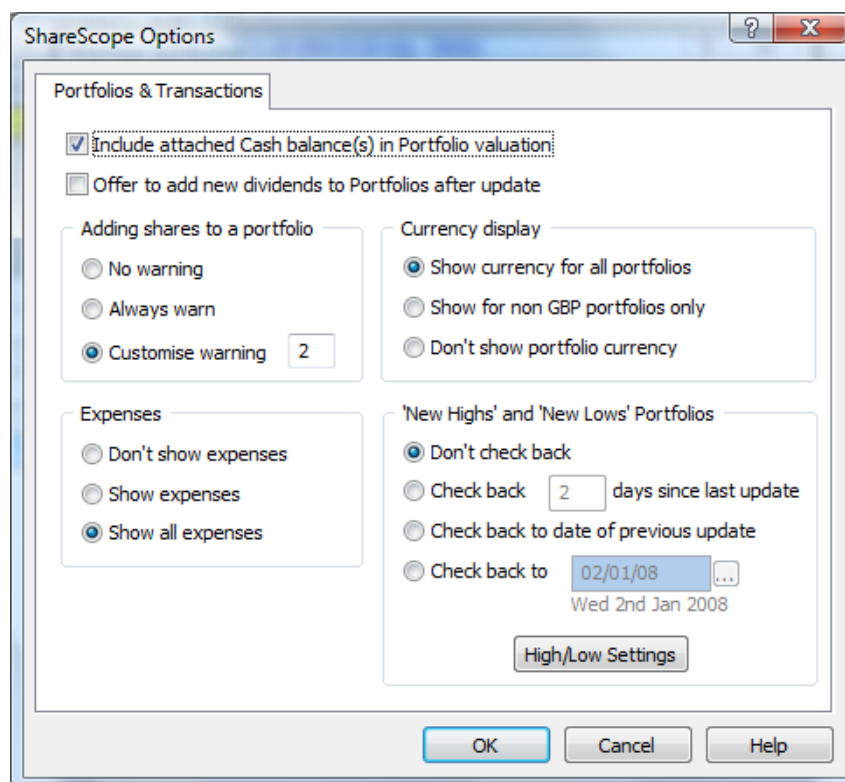
Note that imported data has a different colour in Lists - this is to distinguish it from data supplied by Ionic Information Ltd (which cannot be edited).

Portfolio options

There are a number of global settings for portfolios which you can change. Some of these have been described in context elsewhere. These options can be found in two ways:

Right-click in the Portfolio or Transactions views, select **Portfolio management** and then click on the **Options** button.

Click on the **Tools** menu, then **Options** and then on **Portfolios & transactions**.



- You can select to have balances of cash accounts included in the portfolio valuation figures (the cash accounts must first be attached to the portfolios);
- Select **Offer to add new dividends to Portfolios after update** if you would like ShareScope to alert you to new dividends automatically and to add them to your portfolio if desired. See Record Dividends for more details.
- Display a warning when adding shares to a portfolio. You have three options: **no warning**, **always warn** or **customise warning**. If the latter option is selected, ShareScope warns you only if the number to be added is more than the level you set;

- You can decide how expenses (charges) are recording for transactions. **Show expenses** displays one general expense field whereas **Show all expenses** shows separate broker, levy and stamp duty charges;
- You can choose when the **currency** is displayed in the portfolio/transaction summary line and dialogs.
- You can change the look-back period for ShareScope's **New Highs** and **New Lows** portfolios.

Portfolio flags

Once you have created one or more portfolios, you can use **Portfolio Flags** in List, Graph and Level 2 views to remind you which instruments you hold. Holding the mouse cursor over a Portfolio flag will reveal the names of the portfolios in which you hold the instrument.

In the List view, right-click in the column headings and select **Add General column**. From the sub-menu select **Flags** and in the dialog box displayed select **Is a member of a portfolio**.

In the Graph view, right-click in the graph and select **Graph design**. On the **Lines & text** tab, click on the **Edit** button and then select **Is a member of a portfolio**. The flag will appear next to the name of the instrument at the top of the graph.

In the Level 2 view, right-click and select **Level 2 design**. On the **Main display** tab, click on the **Flags** button and select **Is a member of a portfolio**. The flag will appear next to the name of the share.

Note: A flag will appear next to any instrument you have added to a portfolio; you do not need to be holding any units of the instrument.

Portfolio news

You can view news stories for just the shares in a portfolio. Right-click in the portfolio and select **Portfolio news**.

By default, ShareScope looks back a week but you can change this by right-clicking in the News view and selecting **News options**. You may also like to see only the news for the current day. Right-click in the News view and select **Today's news only**. For more help with News windows, see the chapter on **News**.

Press **F11** to return to the portfolio view.

Portfolio alarms

You can set **end of day** or **intraday alarms** (ShareScope Plus and Pro only) for a portfolio. You set these in exactly the same way as you do for an individual instrument, using the Alarms wizard, but ShareScope will check each instrument in the portfolio to see if it has triggered the alarm conditions.

From the portfolio view, click on the **Edit** menu and select **Set an end-of-day alarm for <portfolio name>** or **Set an intraday alarm for <portfolio name>**.