

Performance Roadmap: Dynamic Benchmarks, Daily Composites, Money Market Interest Accrual, and More



Performance often doesn't get the same amount of attention in an advisory firm as billing, reporting, or trading.

After all, many planning-focused advisors choose to focus on goals and tracking progress toward those goals over placing too much importance on a single number to indicate the health of a portfolio.

But performance is more than just a number; it's an important tool that should be used in evaluating portfolios and making planning decisions.

Last week during our Ascent 2018 event, we gave attendees a sneak peek into our performance development road map and covered the ways that Orion plans to enhance the performance functionality in Orion Connect. Today, we want to let all of our reader's know what's headed your way!

1. Dynamic Benchmarks

Dynamic Benchmarks allow you to assign benchmarks to your Asset Classes or Asset Categories and the allocation of the weightings will update automatically as the allocation of the entity you are comparing against changes.

Dynamic Benchmarks also solve some of the limitations encountered when using Blended Benchmarks, including:

- **Strategy and Allocation Changes:** If a benchmark changes allocations, or if an account changes strategies, you no longer need to adjust the allocation of the benchmark manually or change the benchmark assignment.
- **Efficiency:** Because the allocation of the benchmark tracks true to the allocation of the entity you are comparing it against, you could essentially create one dynamic benchmark and assign it to all of your accounts, and the benchmark will be an accurate representation of the entity's allocation, regardless of the strategy.
- **Selection Effect:** Because dynamic benchmarks remove the allocation effect, any difference between an entity's return and a dynamic benchmark's return will be due purely to "selection effect"—making it easy to show your client the value you've added by managing their portfolio with your asset selections.

Dynamic Benchmarks are available in Orion Connect right now.

2. Daily Composites

Traditionally, composites could only be calculated for a full month-to-month time period.

Yet utilizing daily composites allows you to run performance reports for intra-month dates, so you can isolate composite performance during periods of market fluctuation. Orion built out this functionality to help you more frequently review the performance of portfolio groups, analyze and adjust investment strategies accordingly, and also identify portfolio outliers in an efficient manner.

Orion Pro Tip: It's important to note that daily composites are not GIPS compliant, because they are not run for full month time periods.

Daily Composites are available in Orion Connect right now.

3. Performance Viewer 2.0

Do you use IRR or simple performance calculations? Do you ever find yourself wanting to research the "why" behind an IRR or simple return?

If so, you may have noticed that the details you could view in our Performance

Viewer app only displayed information for TWR returns. In years past, you would have had to perform manual calculations for these other performance methods.

But with the updated Performance Viewer 2.0, you will soon be able to view details for IRR and simple returns in addition to TWR. The update will make it simple to see the calculation behind the scenes, and research performance returns in greater detail.

You'll also gain the ability to compare portfolios against their Dynamic Benchmarks by using the Benchmark Summary and Benchmark Intervals selections under the Return Style drop-down.

Performance Viewer 2.0 is currently in the final stages of development, with a planned release in the coming weeks.

4. Performance Batch Tool

If you've been following Orion's best practices for maintaining a clean database, you review the performance batch sent to you each month by your Orion Accounting Analyst.

Sometimes, you may even request that we run a performance batch for you outside of that scheduled monthly delivery.

If you've ever wished you could run a performance batch for your full database on your own, without having to contact Orion, then the new Performance Batch Tool is for you.

With the Performance Batch Tool in Orion Connect, performance across your database will be available any time you need it.

The Performance Batch Tool is currently in development.

5. Money Market Interest Accrual

Currently, interest payments for cash are handled just like any other product on the Orion platform.

We are enhancing our performance calculation engine so that interest on money markets will accrue daily, instead of creating a large impact on one day when the

transaction occurs.

The result of this development will be more realistic performance for these scenarios, bringing the return closer to 0 percent.

You'll be able to choose with products this logic applies to, and a date for the logic to begin so that the past performance you've been reporting to clients does not change if you don't want it to.

The Money Market Interest Accrual Update is currently in development.

We're confident that these five enhancements to performance in Orion will give you more control and flexibility over your data, enhancing the way you work with deeper insights and analysis.

Be sure to check out the currently available new tools now, and we'll update you on our progress as the Performance Batch Tool and Money Market Interest Accrual enhancement draw closer to their respective release dates.

If you'd like to learn more about the performance tools available in Orion Connect: Please [click here](#) to check out our online Ascent training courses.

Not working with Orion yet? [Click here](#) to get in touch with us.