

Performance Roadmap: Dynamic Benchmarks, Daily Composites, Performance Viewer 2.0, and More!



In this week's Tech Tip, we'll explore some of the many performance tools available in Orion Connect and how you can use them to enhance your practice.

Performance often doesn't get the same amount of attention in an advisory firm as billing, reporting, or trading. After all, many advisors choose to focus on long-term financial goals rather than 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.

So, let's dive right in and look at some helpful Orion Performance Tools!

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 allocation, or if an account changes strategy, 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.

DAILY COMPOSITES

Using traditional account software, composites can 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 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.

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 can now view details for IRR and simple returns in addition to TWR. This update makes it simple to see the calculation behind the scenes, and research performance returns in greater detail.

You can also compare portfolios against their Dynamic Benchmarks by using the Benchmark Summary and Benchmark Intervals selections under the “Return Style” drop-down.

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 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.

We’re confident that these performance tools will give you more control and flexibility over your data, enhancing the way you work with deeper insights and analysis.

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.

0409-OAS-4/30/2019