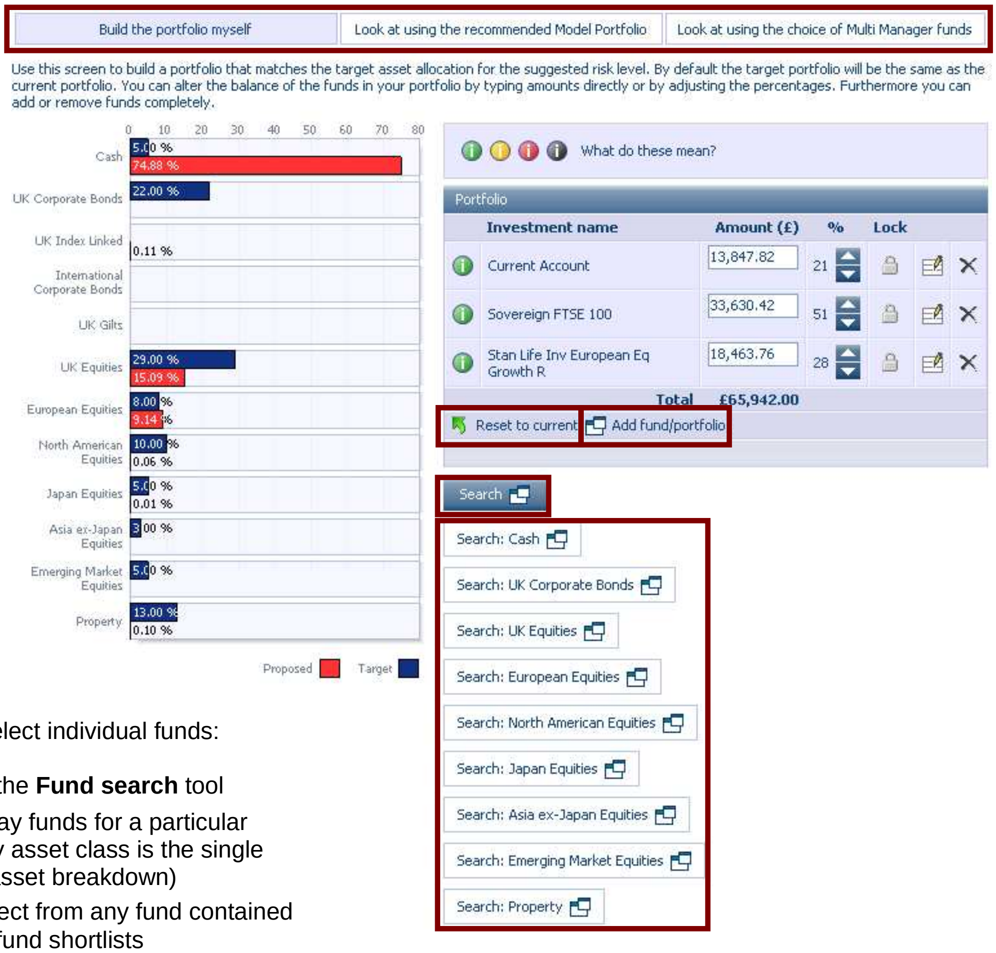
Overview of investment planning process

The investment planning functionality in Dynamic Planner enables you to:

- Enter your client’s investing arrangements and x-ray their current portfolio
- Add your client’s investment goals
- Use a choice of questionnaires to assess your client’s attitude to risk
- Choose an appropriate asset allocation recommendations based on the client’s agreed risk level
- Use a sophisticated forecasting model to display the potential performance of your client’s portfolio for various asset allocation scenarios
- Select and optimise funds to build a portfolio based upon the client’s agreed risk level
- Produce a report containing a list of recommended transactions to reallocate the client’s available assets from the existing portfolio into the new portfolio
- Generate a full colour graphical client report in RTF format (editable in Microsoft Word), which you can use all or part of to convey your recommendations to your client

This factsheet describes how to build a portfolio using the fund selection screens, to enable you to recommend funds in line with your client’s attitude to risk.

Fund selection



Using the **Build portfolio** screen, you can create a portfolio that matches the asset allocation for your client’s agreed risk level.

The asset allocation of the proposed portfolio is shown in red against the target asset allocation in dark blue.

Initially the proposed asset allocation is set to the asset allocation for the current portfolio, and you can then modify the portfolio so that its asset allocation moves towards the target asset allocation by adding new funds to it (buys), deleting existing funds (sells) and optimising the allocation of investment among the funds (partial buys and partial sells).

Various methods can be used to select individual funds:

- Click the **Search** button to use the **Fund search** tool
- Use the quick searches to display funds for a particular primary asset class (the primary asset class is the single largest asset class in the fund asset breakdown)
- Click **Add fund/portfolio** to select from any fund contained in available model portfolios or fund shortlists
- Choose from standard pre-defined fund portfolios for this risk level by clicking the **Look at using the recommended Model Portfolio** or **Look at using the choice of Multi Manager funds** links

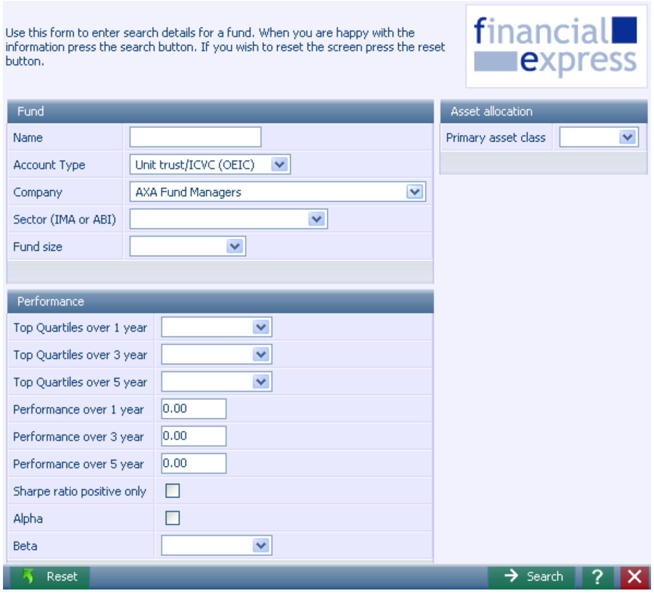
Note – You can reset the proposed portfolio back to the current portfolio at any time by clicking Reset to current

Fund Search

Clicking the **Search** button on the **Build Portfolio** screen opens the **Fund search** tool, which allows you to search for and select funds to add directly to your client's proposed portfolio.

To carry out a search:

- Enter one or more search criteria into the available fields, such as fund name, company or primary asset class; or do a wildcard search by entering a number of characters in the name of the fund you wish to find in the Name field
- Click the Search button
- If you wish to clear the contents of all the search fields back to the default values, click the Reset button



Clicking the **search** button returns a set of search results.

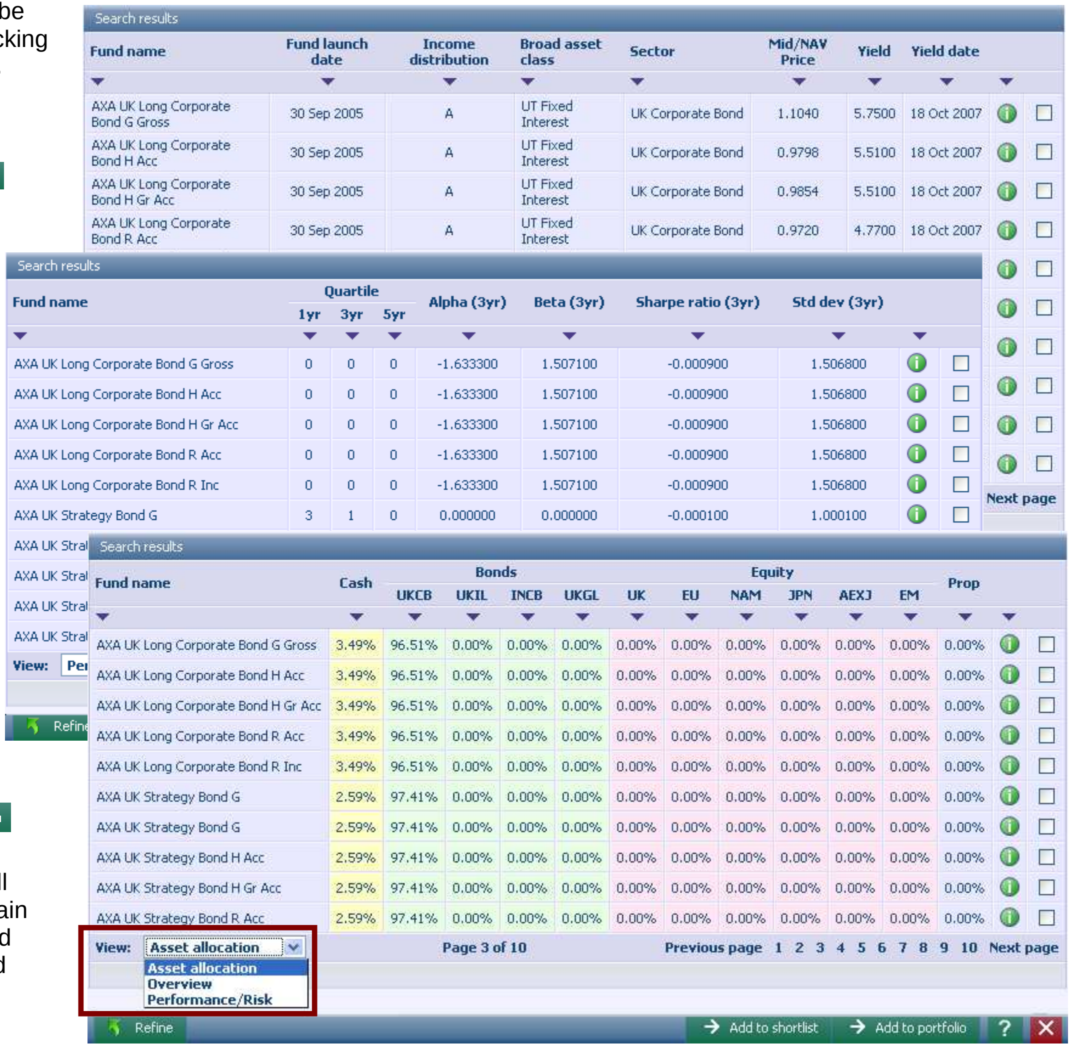
The funds returned by the Search can be displayed in a number of views: **overview, performance/risk** and **asset allocation**.

All the pages of results can be sorted by any column by clicking the **column sort** button.

You can add more search criteria to the search at any time by clicking the Refine button on the bottom of the search results screen. This will take you back to the search criteria screen, with the previous search criteria preserved. You can refine the displayed funds by any number of options to quickly find a suitable fund.

When you have found one or more suitable funds:

- Tick the boxes at the right hand side of the required funds
- To add funds to the portfolio you are currently working on, click the Add to portfolio button
- If there are funds you will probably want to use again in the future, you can add these to one of your fund shortlists by clicking the Add to shortlist button



Fund shortlists and model portfolios

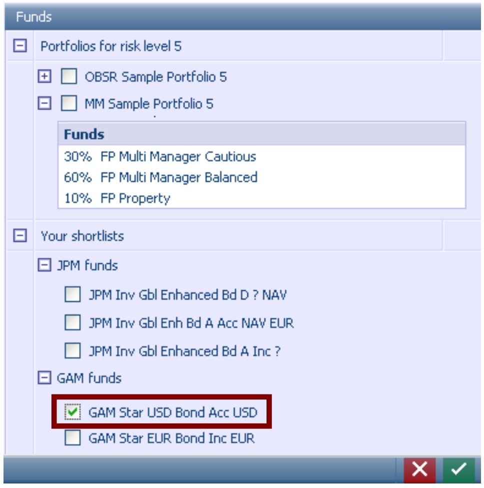
Fund shortlists can be created to include your frequently used funds. The shortlists are then available during the fund selection process, providing quick access to commonly used funds, instead of having to search and select from the entire list of available funds each time.

Funds can be added to shortlists in several ways:

- Your company can create and maintain fund shortlists at an **Organisation** level, which will then be available to you and all other advisers in your company
- You can create and add funds to your own shortlists from the **Fund search** tool at any time

To add funds from a fund shortlist or model portfolio to the proposed portfolio on the **Build Portfolio** screen:

- Click **Add fund/portfolio** to display the fund shortlists and model portfolios for the target risk level
- Click the [+] button next to a shortlist or portfolio to display more details
- To add a fund or portfolio to the proposed portfolio, tick the adjacent box, and click the **save** [✓] button



Model portfolios (standard pre-defined fund portfolios) balanced to match the asset allocation for each risk level can also be created to improve the efficiency of the fund selection process. With model portfolios available, you don't need to build a portfolio from scratch to match a target asset allocation for every client you advise. In many cases you will be able to just use (or edit) an available model portfolio that matches the client's target asset allocation.

- Your company can create model portfolios at an **Organisation** level, which will then be available to you and all other advisers in your company

To select a model portfolio from the **Build Portfolio**:

- Click **Look at using the recommended Model Portfolio** to display the default model portfolio for the target risk level
- If you would like to use the model portfolio exactly as shown, click the **next** [→] button to continue the fund selection process, with the model portfolio replacing all the previously selected funds in the proposed portfolio
- You can also display other model portfolios by clicking **View other Model Portfolios**
- If needed, you can customise a model portfolio by clicking **Build the portfolio myself** to go back to the Build Portfolio screen, and the proposed portfolio will be replaced by the model portfolio

Note
– Funds selected using **Add fund/portfolio** are **added** to the existing funds in the **Build Portfolio** page, and do not overwrite any existing funds
– Funds selected using **Look at using the recommended Model Portfolio** will **replace** the existing funds in the **Build Portfolio** page

Multi Manager funds work in the same way as model portfolios.

Distribution Technology

Portfolio optimisation

Once all the necessary funds have been added to the proposed portfolio, you may need to adjust their balance such that it more closely matches that of the target asset allocation. This can be done using the **Build Portfolio** screen.

The **Build Portfolio** screen shows the funds currently selected in the proposed portfolio, along with its investment value. Note that the proposed portfolio is comprised of all assets on the **Build Portfolio** screen plus those that have been previously marked as unavailable.

The portfolio mix can be adjusted by:

- Clicking the buttons to adjust the amount held in each fund. The total value of the portfolio will remain constant, so adjusting the level of one fund will have an effect on all of the others. If one fund is adjusted upwards, then the remaining funds are adjusted downwards in equal proportions.
- Changing the value of a fund itself in the **Amount** box. If the amount chosen puts the funds outside of the total portfolio amounts, then a warning will be displayed, and the amount will reset to its original value. Again, if one fund is adjusted, then the remaining funds are adjusted in the opposite direction in equal proportions.
- Locking a fund using the **lock** button from future optimisation. When the lock is on, that fund will not be affected by any optimisation, nor will it be possible to adjust that fund in any way.

If needed, you can at any time reset the proposed portfolio to the current portfolio on the **Build portfolio** screen by clicking Reset to current

Depending upon the quality of data supplied by asset managers, the data available from our data providers may or may not be complete for a particular fund. This is indicated by the **information** icon next to each fund, and details regarding the meaning of the icons can be found by clicking **What do these mean?**

For funds with incomplete asset allocations, the asset allocation can be added manually by:

- Clicking the **edit** button next to the fund needing update
- Ticking the **Override** box
- Entering the appropriate percentages in the boxes until the total percentage equals 100%

Once you are happy with the proposed portfolio, you can move on to the next stages of the investment process.