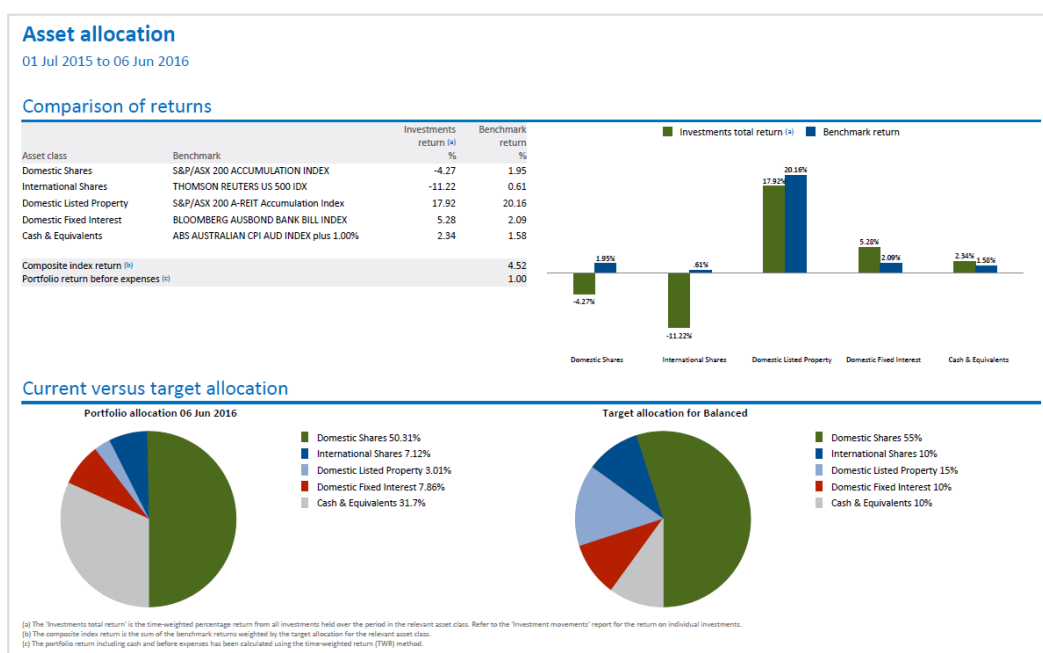


## New Asset allocation report

The new **Asset allocation** report is a one-page snapshot of the asset allocation process for a requested period. It provides:

- A **comparison of returns** between investments and relevant benchmark indices for the performance period, for each asset class and the overall portfolio performance.
- A comparison of the **current versus target allocation** in each asset class as at the end date of the requested period.



The report will be available to all portfolios as long as an asset allocation strategy has been entered using the new **Asset allocation** screen.

### To generate an Asset allocation report:

1. Ask your administrator to create a **strategy template**
2. Set your portfolio's strategy.
3. Generate the report.

To understand more about how to set up a portfolio's strategy, we recommend that you refer to the [Overview of new asset allocation features](#) page.

## Comparison of returns

Report element	Description
<b>Asset class</b>	<p>An asset class will only be displayed in the list based on:</p> <ul style="list-style-type: none"> <li>• investments being held in an asset class <i>at any time during the requested period</i>, as listed under the 'Investments' section on the <b>Investment movements</b> report; and/or</li> <li>• a benchmark index being selected for an asset class in the portfolio's strategy <i>as at the end date of the requested period</i>.</li> </ul>

<b>Investment return % calculation</b>	<p>The <b>Investments return %</b> calculation is the same as the calculation used on the <b>Investment movements</b> report in the 'Investments' section when run using the same report options. For example, excluded assets are to be excluded, franking credits are to be included, % return method is TWR. Refer to the report options section below.</p> <p>This calculation will be annualised for periods longer than 365 days.</p> <p>The 'Investment returns %' for the 'Cash &amp; equivalents' asset class will display 'NA' if there were no investments in this asset class during the performance period other than individual cash books. That is, if the portfolio did not hold any shares or managed funds assigned to this asset class. This is because the system does not currently support calculation of percentage returns on individual cash books.</p>
<b>Composite index return</b>	<p>The composite index return is the sum of the individual benchmark returns weighted by the percentage target allocation to the asset class at the end of the performance period.</p> <p>The weightings are based on the fixed percentage targets set for the portfolio's strategy. If these are not set for a strategy, the mid-point of the target range will be used instead.</p> <p>This calculation will be annualised for periods longer than 365 days.</p>
<b>Portfolio return before expenses</b>	<p>This calculation is the same as the calculation used on the <b>Portfolio performance</b> report when run using the same report options.</p> <p>This calculation will be annualised for periods longer than 365 days.</p>
<b>Target allocation chart</b>	<p>The bar chart in the top-right corner provides a visual representation of the comparison between the asset class and benchmark index returns.</p>

## Current versus target allocation

Report element	Description
<b>Asset classes displayed</b>	<p>An asset class will only be displayed in the list based on:</p> <ul style="list-style-type: none"> <li>investments being held in an asset class at any time during the requested period, as listed under the <b>Portfolio valuation</b> report when run by asset class <i>as at the end date of the requested period</i>; and/or</li> <li>a target percentage allocation being set for an asset class in the portfolio's strategy <i>as at the end date of the requested period</i>.</li> </ul>
<b>Portfolio allocation chart</b>	<p>The current percentage allocation to each asset class is always displayed in the bottom left quadrant of the report as a pie chart.</p> <p>The current allocation is the percentage asset allocation to each asset class of investments <i>at the end date of the requested period</i> as shown in the <b>% net portfolio value</b> column of the <b>Portfolio valuation</b> report when run by asset class.</p> <p>The current allocation to 'Cash &amp; equivalents' always includes cash books, unsettled amounts and income receivable balances at the end of the period.</p>

<b>Target allocation chart</b>	<p>The chart in the bottom-right corner enables a visual comparison of the current allocation to the target allocation. The chart header will contain either the name of the strategy template or 'custom targets' depending on what is applicable to the portfolio.</p> <p>The target allocation percentages are the portfolio strategy's most recent target allocations (based on the targets' from date) relative to the end date of report.</p> <p>The appropriate chart will display depending on what is selected for the 'Current v target' allocation report option, and can also depend on the target types that are applicable to the portfolio's strategy. For example, if only fixed targets are set then only a pie chart can be displayed.</p>
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## Report options

Option	Description
<b>Report period</b>	<p>A from and to date must be selected to use as the performance period for the performance calculations.</p> <p>The 'to date' of the reporting period is used for the comparison of current and target allocations.</p>
<b>% Return method</b>	<p>You can select the method for calculating the percentage returns using either the:</p> <ul style="list-style-type: none"> <li>• Time Weighted Return (TWR) method</li> <li>• Approximate method.</li> </ul> <p>Refer to <a href="#">Investment Movements report</a> for an explanation of the differences.</p> <p>The default option is set using the <b>Reporting &gt; Settings</b> screen.</p>
<b>Franking credits</b>	<p>Franking credits accrued over the period can be included or excluded from the total returns.</p> <p>The <b>Portfolio default</b> option is set using the <a href="#">Default portfolio settings for performance</a> on the <b>Service maintenance</b> screen, or at a portfolio level on the <a href="#">Performance settings</a> screen.</p>
<b>Foreign tax paid</b>	<p>Foreign tax paid amounts for income accrued over the period can be included or excluded from the total returns.</p> <p>The <b>Portfolio default</b> option is set using the <a href="#">Default portfolio settings for performance</a> on the <b>Service maintenance</b> screen, or at a portfolio level on the <a href="#">Performance settings</a> screen.</p>
<b>Excluded assets</b>	<p>This option allows you to include or exclude assets that have been specified to be excluded in the <a href="#">Performance settings</a> screen. Note that these assets will be excluded from calculations for each of the following:</p> <ul style="list-style-type: none"> <li>• Asset class returns</li> <li>• Portfolio performance.</li> </ul>

<b>Cash</b>	<p>This option only applies to the <b>Portfolio performance before expenses</b> percentage calculation on the report. Select from:</p> <ul style="list-style-type: none"> <li>• Include</li> <li>• Exclude</li> <li>• Portfolio default.</li> </ul> <p>If you select <b>Portfolio default</b> the report will use the default 'Cash' setting on the <a href="#">Performance settings</a> screen.</p> <p>It is important to note that the investment returns % for 'Cash &amp; equivalents' does not include returns on cash books. This is because the system does not currently calculate the percentage returns on individual cash books.</p>
<b>Loans</b>	<p>The option to include loans is only available if you include cash. If you choose to exclude cash, then loans are automatically excluded.</p>
<b>Current allocation</b>	<p>The current allocation is relevant to managed fund holdings. You can select whether to calculate the current allocation using either the:</p> <ul style="list-style-type: none"> <li>• primary asset class for managed funds</li> <li>• underlying asset classes for managed funds.</li> </ul>
<b>Current v target</b>	<p>This option allows you to select which targets to use to compare current allocations with target allocations, and what type of chart to display in the bottom-right quarter of the report. The options are:</p> <ul style="list-style-type: none"> <li>• <b>Pie chart</b> – if this option is selected for a portfolio that only has a target range set then the mid-point between the minimum and maximum % targets will be used.</li> <li>• <b>Hi-lo chart (pie chart if fixed targets)</b> – if this option is selected for a portfolio that only has fixed targets, then the report will defer to displaying a pie chart.</li> <li>• <b>Bar chart</b> – if this option is selected, then a bar chart will be used regardless of the target type/</li> <li>• <b>Bar chart (pie chart if fixed targets)</b> – if this option is selected for a portfolio that only has fixed targets, then the report will defer to displaying a pie chart.</li> </ul>