

FAQs: DFM MPS performance

1. How frequently is the performance data updated?

Currently, performance data is provided to Dynamic Planner by the asset managers as part of the data provided for risk profiling their MPS solutions. As risk profiling has been the reason to provide this data in the past, the performance data is updated and provided each quarter. The data contains monthly values, unlike the performance data for other funds which has daily values.

2. Will performance data be available more often than once a quarter?

Dynamic Planner currently supports the quarterly collection of data from asset managers. Further development will be needed to handle data being provided more frequently. It also depends on asset managers providing information more frequently in future. We are, of course, happy to receive feedback from you here to understand the appetite for this.

3. When do the percentage growth values on the fund information page update to the next quarter?

The percentage growth values on the fund information page update on the first of the month, one month after the quarter end [see table below for dates]. All DFMs update at the same time, in order to keep the three-month, six-month, etc. data comparable, if you are looking at different MPS.

In future, the dates below could be moved to an earlier date if all asset managers provide their performance data within a shorter timeframe than they currently do.

Any DFMs that have not had the latest data provided at the 'date of update' are displayed as a dash until the data is received from the asset manager. The MPS will then update from a dash to a value during the night following receipt of the performance data.

Quarter (calendar year)	Data included	Date of update	Percentage growth displayed after update
Q1	31 Jan, 28 Feb, 31 Mar	1 May	Up to 31 March
Q2	30 Apr, 31 May, 30 Jun	1 August	Up to 30 June
Q3	31 Jul, 31 Aug, 30 Sep	1 November	Up to 30 September
Q4	31 Oct, 30 Nov, 31 Dec	1 February	Up to 31 December

4. Why can I see different values in the Research Hub and fund information page compared to the Client Review report?

The Research areas in Dynamic Planner (the fund information page and Research Hub) have controls in place that manage the update of the percentage growth data. All DFMs update at the same time, in order to keep the three-month, six-month, etc. data comparable across different DFM MPS.

Asset managers can provide their data at any point after the quarter end, meaning that more recent data may be available in the system than we show on the fund information page and Research Hub.

The Client Review report does not need to be comparable in the same way as data shown on the fund information page. The performance chart and performance values included in a Client Review report use the most up to date information, so the date shown here may be more recent than what the same fund shows on the fund information page. For example, if an asset manager provided data on the first day after a quarter end, this would be available in the Client Review report the following day, but would not change in the fund information page until the date at which all DFM MPS update.

5. Which DFM MPS is performance data available for?

Performance data is available for all DFM MPS which Dynamic Planner currently [risk profiles](#). As of 22 February 2024, we profile 909 model portfolios from 68 providers.

6. What if I use an MPS that is not risk profiled?

Unfortunately, we can only show past performance data for an MPS that Dynamic Planner risk profiles. Bespoke DFMs and model portfolios created by a firm will not have past performance data available. For any MPS not risk profiled, we encourage you to reach out to the fund's manager, to speak to Dynamic Planner about doing so.

7. My valuation integration pulls through the underlying holdings instead of the DFM MPS. How do I get the MPS performance data to show?

To use the DFM MPS feature in Client Review, you need to make sure that Dynamic Planner knows about the DFM MPS in a client's portfolio. When using electronic valuations that pull through the underlying fund breakdown, instead of the DFM MPS, you need to ensure you have used the discretionary portfolio valuation feature within the edit arrangement screen. A guide for this is available in Dynamic Planner's Support Hub: [DFM Valuations - Dynamic Planner](#). This is a prerequisite to the MPS showing in Client Review.

8. How do I add more than one DFM MPS to an arrangement with an electronic valuation?

With the 'create discretionary portfolio valuation' feature, we take a fund valuation (which would contain the underlying funds in the MPS) and create a new MPS valuation alongside it, with the same total value but the MPS as the only holding. We create this alongside the original value, although for MPS performance to work, the MPS one must be selected. This works on the assumption that the entire arrangement is invested solely in the MPS.

If the MPS isn't the only thing in the arrangement (e.g. there is more than one MPS, or an MPS and one or more funds) then you need to revert to the 'fund' valuation in the system. You can manually add the MPS in a 'fund' valuation and add as many as you like. This requires deleting the underlying holdings that relate to the DFM MPS.

9. Why can't the discretionary portfolio valuation feature split the underlying funds in my electronic valuation between multiple DFM MPS?

Multiple DFM MPS in an arrangement cannot be handled via the automated discretionary portfolio valuation feature. For example, if an arrangement has two MPSs, and each MPS has 10 underlying funds, there could be anywhere between 10 and 20 underlying funds between the two MPS, and we don't know which funds (or partial value in a fund, if they share any of the same funds) relate to which MPS.

Digging deeper, even if we know that yesterday there was a 50/50 split between the two MPS, after a day of growth it won't be 50/50 anymore. So, when provided with a new total value, we wouldn't know how to attribute the value to the two MPS'. This is just an issue with the way MPS' work, particularly the fact that they don't have unique IDs in the outside worlds. Other funds have ISINs that make this easy for us to do.

10. Why are funds and DFM MPS shown separately in Client Review?

Funds and MPS are different types of solution that are structured in different ways. It is not appropriate to compare their performance like for like. Funds are 'unitised', which means that all investors holding that unit get the same return. MPS', while a scalable and repeatable portfolio that is made available to many investors, have variables between individual portfolios. This means that the performance information is gathered in a different way to a fund and is presented in a different way. Showing the two together, as if they are the same type of thing, could lead the investor to misunderstand and make a misinformed decision.

11. Why do I get separate lines for each DFM MPS, rather than a single line that covers all, like the fund performance line?

The performance chart for funds shows an aggregated line to support the user and client who have an advised portfolio of funds. The funds are all daily traded, and the adviser can take advantage of the diversification (correlations) of holding all these funds by rebalancing the funds or changing the funds in the portfolio using Dynamic Planner's Review and Recommendation functionality.

With an MPS, the fund manager is doing that on your behalf and, even if it were practically possible, it wouldn't be appropriate to rebalance more than one MPS, in the same way as you would a portfolio of funds. Where an adviser recommends more than one MPS, it's for a different kind of diversification, rather than the modern portfolio theory diversification that applies to portfolios of funds.

12. Why don't the dates on the performance chart align with the dates of my client review?

The MPS performance data is provided to Dynamic Planner directly by the asset managers, currently on a quarterly basis. This means that there is a lag between the current date and data being available to us. Due to this, the DFM MPS chart lines are unlikely to run up to the review end date. To address this issue for your end client, the report states the period for which the lines and values included relate to.

13. Why does the DFM performance chart look different to the fund performance chart?

The fund performance data are daily values, whereas the DFM MPS data is monthly values. As the DFM MPS chart has less data points, it causes the chart to appear smoothed out compared to the more frequent peaks and troughs daily performance provides.

14. If I have a blended investment for a client, e.g. with a DFM MPS and a multi-asset fund, can these be shown on the same chart?

As described in FAQ 10, due to the differences in the underlying data between funds and DFM MPS, the two cannot be shown on the same chart. They are not directly comparable. For example, the monthly performance values for DFM MPS next to the daily performance values of the funds could cause the MPS to appear smoothed out when compared to the fund.

In practice, the client's assets which are part of the DFM MPS, will be segregated out into a different account from the multi-asset fund or any other fund. This is necessary to prevent the additional fund from being brought into the DFM MPS' rebalancing or other investment process. They are therefore not blended. They are two separate investments and it's best that they are shown that way.

15. What does the chart show, if my client has multiple DFM MPS in their portfolio?

Where a client has multiple DFM MPS in their portfolio, there will be one DFM MPS performance chart, but that chart will contain a line for each of the individual DFM MPS invested in. See FAQ 11 for more detail.

16. Is there a single value for the overall performance of the portfolio?

The funds and DFM MPS performance are shown separately in the performance section of the report, and any DFM MPS are also shown separately to one another. Instead, the 'How has the value of your portfolio changed?' section of your client review report, which shows the portfolio value, accounting for money in and money out, should be used for information about overall performance of the portfolio.

17. Why do the performance values on the platform not match the values in Dynamic Planner?

The data that asset managers provide to Dynamic Planner is based on a representative portfolio, net of Discretionary Fund Manager fees and the underlying fund charges. The monthly performance values can vary depending on the platform invested in, due to underlying fund OCFs potentially differing on different platforms.

The DFM MPS data shown in Client Review in Dynamic Planner reflects this representative portfolio, and not the client-specific performance. It does not include the impact of any switches, contributions, withdrawals, platform, product or adviser charges and is provided simply to show how the underlying solutions in a client's portfolio have performed. This explanation is included for a client in the Client Review and Recommendation reports.



Dynamic Planner
C/O Moorcrofts LLP
Thames House
Mere Park
Dedmere Road
Marlow
Buckinghamshire
SL7 1PB

Email support@dynamicplanner.com

Phone +44 (0)333 6000 500

© Dynamic Planner Ltd 2024 onwards. All rights reserved.

Information in this document is subject to change without notice. Dynamic Planner makes no warranty of any kind with regard to this manual, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Dynamic Planner shall not be liable for errors contained herein or direct, indirect, special, incidental, or consequential damages in connection with the furnishing, performance, or use of this material. The software described in this document is furnished under a license agreement or nondisclosure agreement. The software may be used only in accordance with the terms of those agreements. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or any means, electronic or mechanical, including photocopying and recording for any purpose other than the purchaser's personal use without the written permission of Dynamic Planner.

Trademarks

Dynamic Planner may have patents or pending patent applications, trademarks, copyrights or other intellectual property rights covering subject matter in this document. The furnishing of this document does not give you any license to these patents, trademarks, copyrights or other intellectual property rights except as expressly provided in any written license agreement from Dynamic Planner.

All other companies and product names are trademarks or registered trademarks of their respective holders.