Tech Talk

June 2021

Tech Talk focuses on technology enhancements and developments from the Frontier Technology Team, all aimed at providing our clients with the best analytical information at their fingertips.

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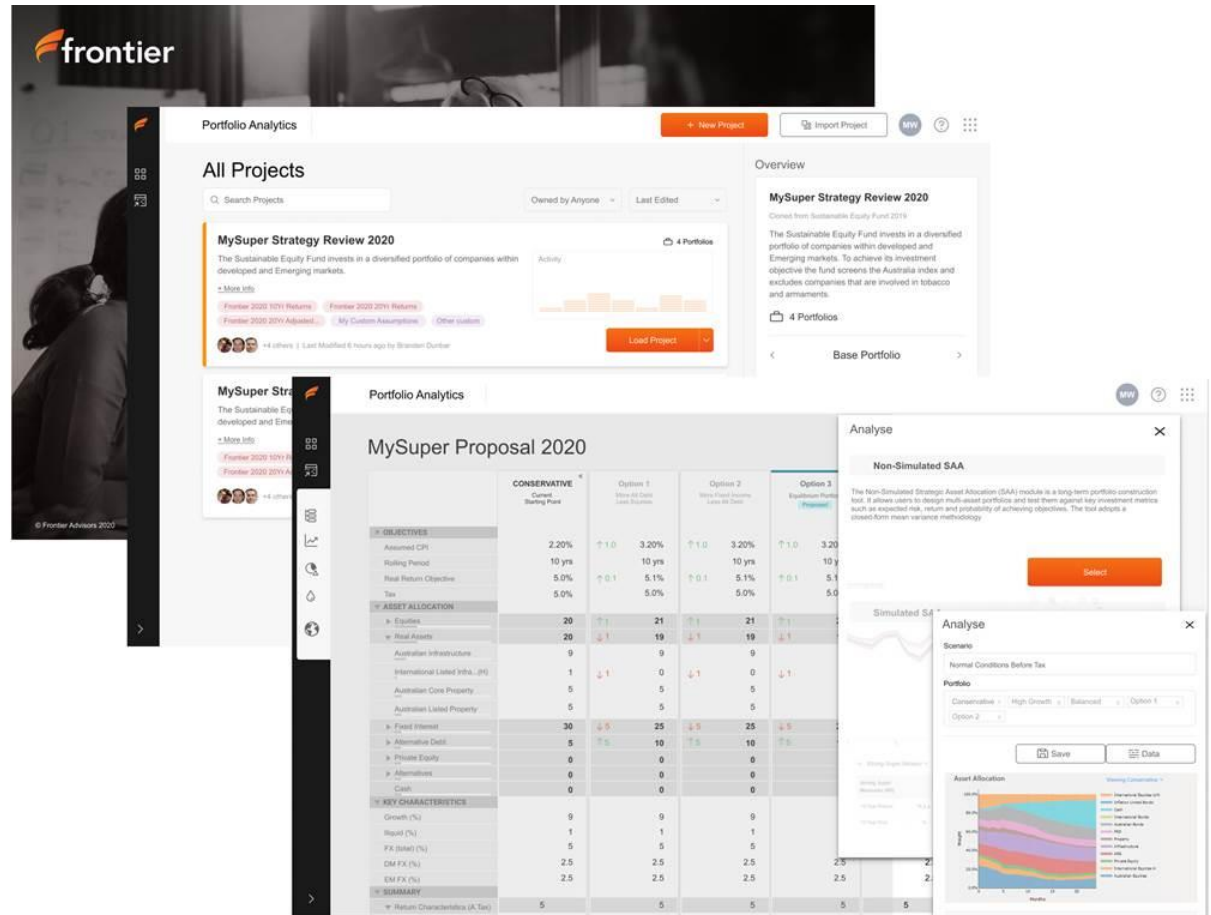# Frontier Partners Platform

- Deeper portfolio insights

- Better risk management

- Stronger investment governance

- Clearer portfolio design

New on the Partners Platform

Comprehensive support documents can also be found at https://fpp.frontieradvisors.com.au/user-docs/ or via the help icon in *Portfolio Analytics*. The Partners Platform Team are available to provide any support and assistance you may require, so please do not hesitate to get in touch at any time.

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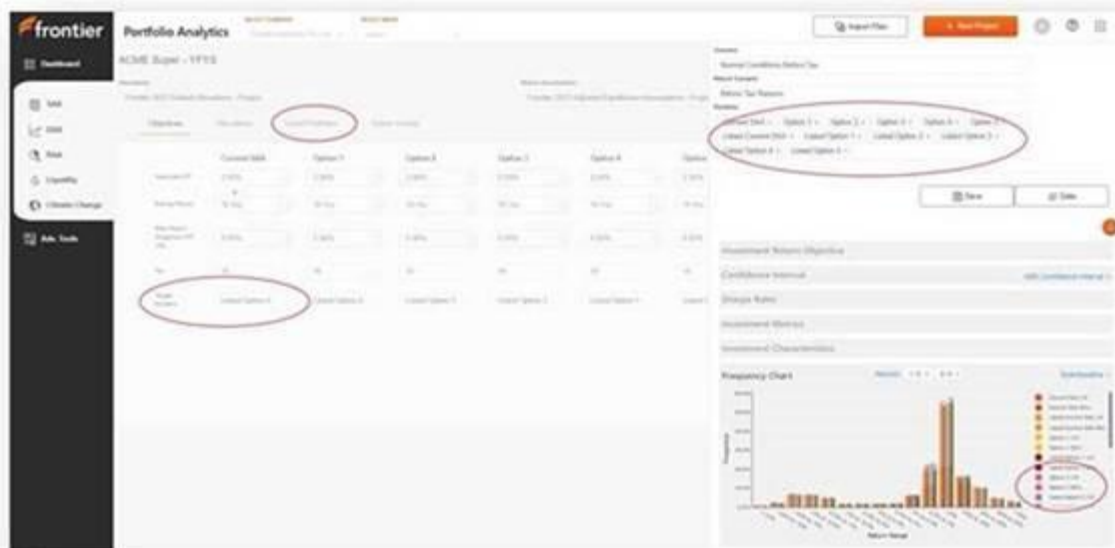
Portfolio Analytics

Listed portfolio comparisons (Your Future, Your Super)

Your Future Your Super (YFYS) presents a challenge to the superannuation industry that requires all funds to be on the front foot with historical and projected performance. Frontier sought to be one of the first solutions to market when the regulation was finalised with inbuilt APRA benchmark mapping, providing an auto-generated set of comparison portfolios to use for assist in optimising your allocations.

This is a first step towards addressing the demand for portfolio comparisons and performance attribution in *Portfolio Analytics*, against either a current or historical set of allocations. This places *Portfolio Analytics* clients in a good position to perform initial analysis on the regulation, with further developments in progress.

Portfolio Analytics will produce auto-generated, listed portfolio options, which can be added into the analysis for portfolio comparisons. In addition, target portfolios can be tracked against listed portfolio options in order to enable excess performance calculations.

- **YFYS comparison portfolios.** These portfolios will provide an automatically generated set of weighted allocations, based on Frontier asset class mappings to the APRA benchmarks. This will reduce the need to perform this function in spreadsheets that are not integrated into your asset allocation modelling.

- **Target portfolios for comparisons**. The target portfolios can be assigned as an objective against an individual portfolio, which provides the ability to forecast the frequency of excess performance within the Simulated SAA module.

Portfolio Analytics with the YFYS specific functionality provides additional inputs for listed portfolios and target portfolios.

These listed portfolios may be used as inputs into the non-simulated SAA and simulated SAA modules.

Available to all subscribers and can be enabled via your account settings.

Portfolio Analytics

Enhanced risk with multi-factor analysis

Portfolio Analytics enhanced risk, allows clients to better understand the drivers of portfolio returns and risk, as well as analyse portfolio shock under customised scenarios. This is an introduction to factor investing, as well as allowing a more accurate understanding of value at risk (VaR) and expected shortfall (cVaR).

- **Currency overlay**. Emerging (EM) currency overlay and developed market (DM) currency overlays are provided as asset classes across all modules. Portfolio allocations are no longer strictly limited to 100%, where an allocation over 100% represents leverage and below 100% will represent an under-allocated portfolio.

- **Risk factor analysis and risk decomposition**. In-built and customisable capabilities such as portfolio shock under different shock scenarios, rolling beta, conditional portfolio shock and average contribution of each asset class to volatility.

- **Multi-factor risk analysis**. As an introduction to factor investing, provides a portfolio representation based on macroeconomic factors, style factors and other factors based on historical data. It provides information on the drivers of the portfolio's risk and return.

- **Enhanced VAR and cVAR calculations.** In-built VAR calculations from linear extrapolation to extreme value theory (EVT), providing a more accurate calculation.
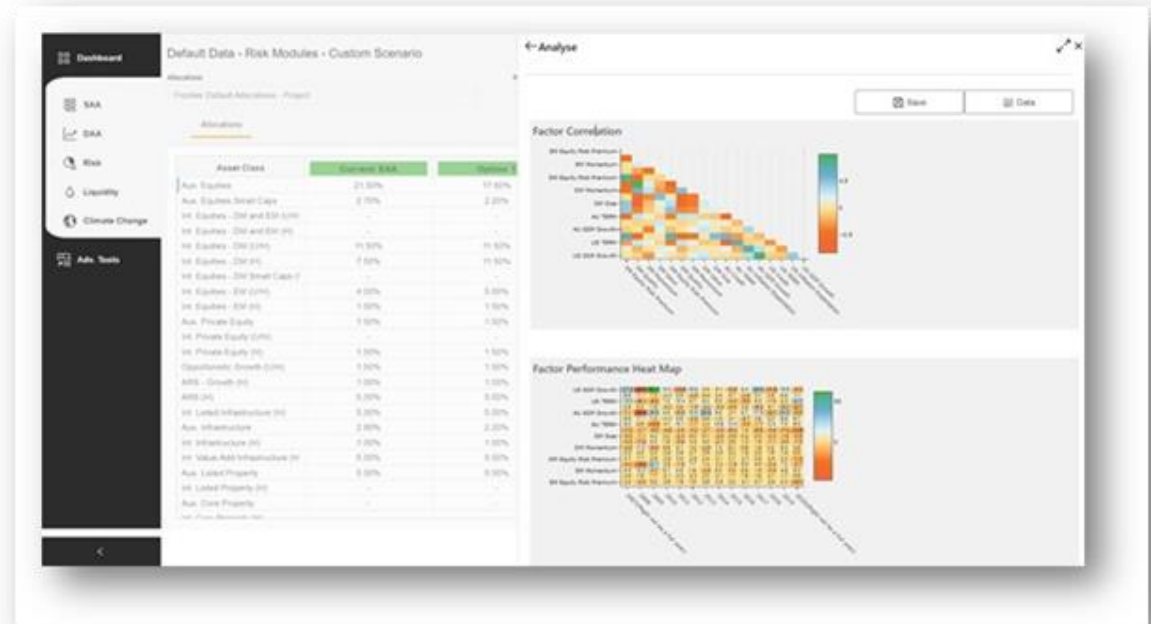

Available to complete (tier 2) subscribers.

Peer Comparison

Tracking your superannuation peers with an uplifted Glide

Peer Comparison **takes the foundation of** *Glide* **to the new Partners Platform user experience. Delivering a more seamless user experience and modern platform, ready to be enhanced with Your Future Your Super features. In addition, the new** *Peer Comparison* **will be enhanced with features for liability driven investors, later in the year.**

Peer Comparison for superannuation replaces the legacy *Glide* product contains exciting new usability features and content, including performance dashboard, APRA key metrics and performance attribution. *Peer Comparison* includes a new comparison wizard from which to build comparison templates and save them for future use.
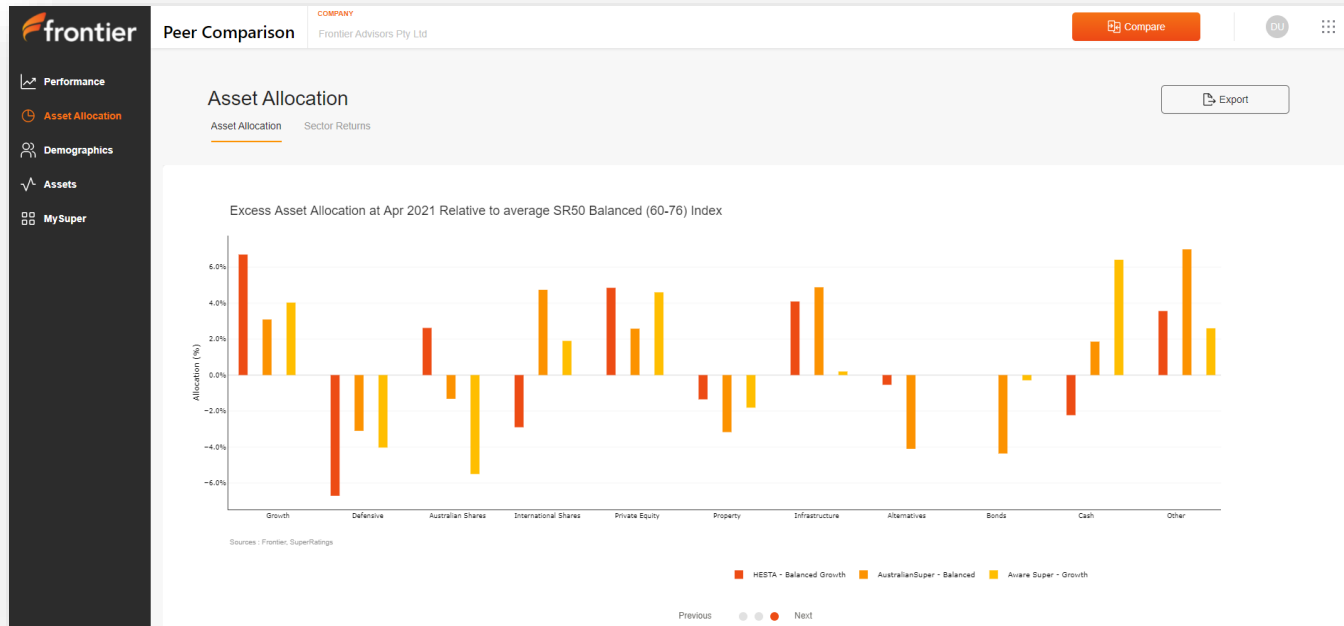
The new *Peer Comparison* can be accessed via the Partners Platform Portal or by accessing the *Peer Comparison* application directly from a web browser.

Available to all *Glide* subscribers

Coming soon to Partners Platform

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Portfolio Analytics

Advanced stochastic simulator

The Frontier Technology Team is putting the final touches to our new forward-looking portfolio simulator, with features such as flexible distributions and simulated frequencies.

With this release we form the foundation of the advanced simulation capabilities, which will then be enhanced to include options overlays, monetisation, and stratification capabilities. This functionality will be rolled out progressively to interested beta testers.

This is an exciting new capability and will be released in tandem with our enhanced personalisation and performance features.

Enhanced personalisation and performance

The enhanced personalisation tools will enable you to get the most out of *Portfolio Analytics*, by allowing you to specify preferences for outputs and personalise the layout of your charts.

Enhanced personalisation will lead to significant performance improvements, due to the ability to pre-select outputs rather than run entire models to retrieve the desired results. Rather than delivering you all of the results, we will allow you to select the results that you are most interested in and improve your efficiency.
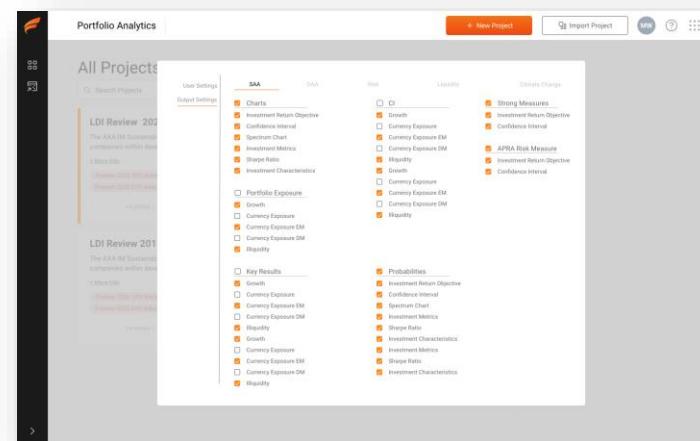
Manager Insights and Analytics

Combining Frontier manager research with manager performance

We want to combine the qualitative and quantitative views of managers, allowing you finer grained monitoring of your fund managers as well as performing research on potential fund managers. This is a ground up rebuild of the *Mercury* product.

An intuitive new combination of fund manager research and performance data including a snapshot of your invested funds provides access to all of the Frontier fund manager analysis, due diligence and research.

This should be taking shape in the coming months with the aim to complete the first tranche of the build around August.

We're focused on our performance too!

There's no point providing personalisation capabilities, if the product is still delivering all of the results in the framework.

To that end we have undertaken an extensive re-work of the models, to deliver only the outputs you are interested in.

This has led to significant speed improvements. In laboratory tests this has indicated that the product is, on average, twice as fast as previously.

- ✓ Strategic Asset Allocation – 77% faster
- ✓ Dynamic Asset Allocation – 65% faster
- ✓ Liquidity Module – 62% faster
- ✓ Climate Change – 54% faster
- ✓ Risk Factor Analysis – 30% faster

Available for all subscribers

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