for financial advisers only

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powerful construction tools

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In the third of a series of Selestia Investment Solutions 'masterclasses', Alison Everett walks you through the process of constructing a portfolio and researching funds.

In this series I have been demonstrating how the online functionality behind Selestia Investment Solutions supports each stage of the client lifecycle to increase the efficiency of your business processes.

Selestia Investment Solutions allows you to research a selection of over 900 funds with one of the most comprehensive analysis tools available, and to construct robust client portfolios using a variety of methods.

The steps on the facing page run you through the key processes to follow when constructing portfolios on the Selestia Investment Solutions investment platform.

visit Selestia Investment Solutions

To log on visit **www.skandia.co.uk/fasite** and click on Selestia Investment Solutions in the right-hand side of the page. If this is the first time you have visited the site you will need to click on 'register' and follow the instructions for your User ID and Password.

online masterclasses

Neil Bage, Skandia E-Business Development Manager, has put together a series of online masterclasses so you can learn more about using our services. Visit **www.informerlive.co.uk** and click on 'The Knowledge' to find out more.

the circle of financial advice

construct a new portfolio and research funds

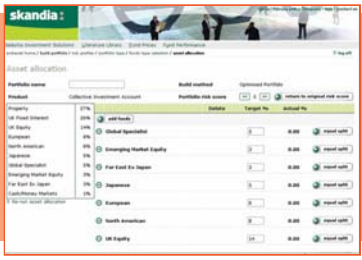
Once logged on, click on 'Risk Profiler & Build Portfolio' on the Selestia Investment Solutions homepage.

On the next screen you need to select which tax wrapper you are building the portfolio for from the 'Select product' menu and then, at the bottom of the screen, select the type of risk assessment. For this example we will choose 'detailed risk questionnaire'. You then need to go through each question entering the answers for your client, which may have been gathered at an earlier client meeting.

When you've completed the questionnaire click on 'next' and the system will instantly calculate a client risk score, which can be found at the top of the screen. This risk score directly matches a level of volatility so you can be certain as to the level of risk your client is willing to take.

When you continue to the next screen you are asked which type of portfolio you would like to build. There are various options available – for this example we will choose an optimised model and click 'next'.

Alternatively, you can outsource the fund selection by following the Skandia Investment Management process. The Skandia Spectrum Funds are also available here, providing a fund solution that directly matches your client's attitude to risk.



The next screen displays the optimised model for the particular risk score. The optimised models are produced in conjunction with Watson Wyatt and contain no provider bias. By using the 'change target sector' option you are also able to re-optimise the portfolio based on your own criteria, for example you might wish to reduce the amount of Property being recommended. The system will then calculate the optimum portfolio based on the sector limits you have applied.

Once you have finalised the asset allocation you can then move to the fund research tool to select the funds you wish to invest in. You can add filters to remove funds that do not match your own criteria. Click on 'set displays & filters'. Here you can select from a wide range of information to display, including Citywire and OBSR ratings, cumulative performance and volatility. When you have selected your display options, click 'next'.

You can now apply filters to this information. For example, you can apply a filter to the OBSR Rating to only show funds that have an AA rating or above. When complete, choose 'continue' to return to the fund selection screen.

The screen shows you the number of funds excluded by the filters applied and you can modify a filter by clicking on the link below the filter name. If you click on the cross next to the sector name you will be able to view the filtered list of funds. To select the funds you want in the portfolio, click on the box next to the fund name and the fund will move into your fund basket. When complete click on 'build portfolio with selected funds' and the selected funds will move into your asset allocation.

You now need to allocate a percentage weighting to the funds, either manually or by using the 'equal split' buttons. When complete, click 'save and finish' to return to the portfolio summary screen.

From here you can apply for new business (as covered in May's informer) or you can link plans to the portfolio. If you don't wish to do anything further, click 'exit' to return to the homepage.

Selestia Investment Solutions is designed to make doing business with Skandia as easy and efficient as possible. In next month's informer I will be covering the processes to manage existing portfolios and review investments.