

Tracking Alternative Investments Is Simple With The New Alternative Investment Platform. Here's How To Do It.

A growing number of advisors are working with their clients to capture investment opportunities beyond the standard stocks, bonds, and model portfolio strategies typically associated with RIA firms.

Orion has always given advisors the ability to manually maintain accounts and assets outside of the typical brokerage or retirement account structure, but with the February 2018 software update, we've taken your ability to report on alternative investments in Orion to the next level with the Alternative Investment Platform.

In today's blog, we'll show you around the new app and explain how you can use it to help your firm create comprehensive wealth reporting for your clients, no matter the type of invested assets.

Getting to Know the Account Composer app

The Alternative Investment Platform is available within the Account Composer app.

Account Composer is your one-stop app for all accounts that fall outside of the accounts you receive via data feeds from custodians or aggregation services. If you need to track held-away assets or keep your clients' alternative investment opportunities up to date, the Account Composer is your destination.



How to Get Started with the Alternative Investment Platform

When you load the Account Composer app, you'll see that the left-side navigation is divided into *Held-Away Assets* and *Alternatives*. Under *Alternatives*, click into the **Assets** section to see a full list of all the assets you've created.

To create your first asset, click the **New Asset** button next to *Actions* above your grid.

The screenshot shows the Orion Account Composer interface. The left sidebar has sections for HELD-AWAY Accounts, Transaction Error Review, and ALTERNATIVES Assets. The Assets section is selected. The main area displays a grid of assets with columns: Asset ID, Product Name, Registration Name, Account ID, Current Value, Committed Capital, Committed Capital Date, and Contribution. The grid contains numerous entries, mostly starting with 'Orion' followed by a product type like 'Private Equity', 'Commodity Energy', etc. The top right of the grid has a '+ New Asset' button and an 'Actions' dropdown menu. To the right of the grid, there's a sidebar with 'Standard View' dropdown, 'Filters' section (with 'add some filters' and 'No filters exist for this view'), 'Columns' dropdown, and 'Groupings' dropdown.

The first time you add a new alternative asset, you'll need to create the product itself. You only need a few pieces of information to do this, and creating a product should take only a minute.

On the *Alternative Asset* screen that comes up, click the blue hyperlink, **Need to**

create a new product?, to go to the *Product* creation screen. Here, you'll name your product, choose a custom CUSIP, and select a subtype of Limited Partnership or Private Equity.

Please Note: Choosing a subtype is required because this field is how the Orion system will differentiate an alternative from a traditional product.

The screenshot shows the Orion software interface for creating a new product. The main title is "Alternative Product". The "General" tab is active. In the "General" section, the "Sub Type" dropdown is set to "Limited Partnership". Other fields include Product Name ("Advisor Product"), Asset Class ("Security"), Ticker ("Orion_Reco"), Asset Category ("Equity (E)"), CUSIP ("Orion_Reco_alt"), Risk Category ("Invalid Selection"), Manager ("Invalid Selection"), Product Type ("Miscellaneous"), Report Note, and K-1 Asset. Below the General tab, there is a section for "Alternative / Private Equity Expected Returns" with a table header and a note "No alternative returns have been added". There is also a "Custom Fields" section with a "Product" tab selected, showing fields for tRx Asset Class and tRx Sub Class.

Click **Save** and you'll go back to the *Asset* screen so you can continue adding your new asset. You can add the asset to an existing account or create a new one entirely.

Maintaining Alternative Assets

Once you've got an asset or account setup, you need to enter transactions or valuations. The Alternative Investment Platform has made transactions simple. Instead of requiring you to do the hard work of ensuring transactions have the correct offsetting transaction or that balances check out, the Alternative Investment Platform will do it all for you.

You only need to record some basic information to help the process flow smoothly.

Transactions and valuations can be edited individually by editing an asset, or you can enter them globally for all owners of a particular product, like a private equity

holding.

The information you need to enter is the same regardless of whether it's a single or global transaction or valuation, so this example will show the global process, which is accessible via the left-side menu.

Add a Valuation

Adding a valuation is a simple process with the Alternative Investment Platform. Choose your product, select the valuation change and date of change, and enter any notes.

With both global valuation and transaction changes, you can preview your update before committing to it. Click **Preview** to view how your update will affect every account holding the selected asset. You can then save your update from the **Preview** screen.

When you add a new valuation, the Alternative Investment Platform will automatically create the correct transactions for you.

The screenshot shows the Orion platform interface. On the left, there is a navigation sidebar with various links like Account Composer, HELD-AWAY, Accounts, Transaction Error Review, ALTERNATIVES, Assets, Accounts, Products, Transactions, Valuations, Global Valuations (which is currently selected), and Global Transactions. The main content area displays a table titled 'Alternatives' with columns: Asset ID, As Of Date, As Of Value, Valuation, and Net Change. There are five rows of data. To the right of the table is a sidebar with sections for Commit Valuations, Actions, Standard View, Filters (with a note about no filters existing), Columns, Groupings, Product (Orion Private Equity), Date (02/28/2018), Valuation Change Percent (10%), and Notes (Month-end valuation).

Asset ID	As Of Date	As Of Value	Valuation	Net Change
43306	02/28/2018	\$3,823,533.00	4,205,886.300000	\$382,353.30
43326	02/28/2018	\$100,000.00	110,000.000000	\$10,000.00
43327	02/28/2018	\$100,000.00	110,000.000000	\$10,000.00
43328	02/28/2018	\$100,000.00	110,000.000000	\$10,000.00
43329	02/28/2018	\$100,000.00	110,000.000000	\$10,000.00
43330	02/28/2018	\$98,960.00	108,856.000000	\$9,896.00
43331	02/28/2018	\$98,000.00	107,800.000000	\$9,800.00

You can view lists of all transactions and valuations on the left-side menu, or click into an individual asset in an account to see only transactions and valuations on that account.

Add a Transaction

While adding global valuations will likely be the most widely used way to update the alternatives your clients own, you can also create a specific transaction as well.

If you've added a transaction for a manual account in Orion, you'll be right at home. If not, it's easy to learn.

The best method for alternatives is to use *Activity Type* rather than *Transaction Type*. Using *Activity Type* will automatically create the necessary transactions to balance your accounts, a powerful capability of the Orion platform.

Transactions, like valuations, can be entered globally or one at a time.

Reporting with the Alternative Investment Platform

Alternative assets and accounts you create in the Account Composer app will be available for inclusion in all your Orion reports. When you use the Alternative Investment Platform, you do much more than consolidate your tracking of assets in a single system. You also open up the ability to report performance to your clients on their alternatives, and package all assets owned, both public and private, together in a comprehensive report.

By default, accounts created in the Alternative Investment Platform are marked as managed and included in reporting.

We are also creating new, Alternative Investment Platform-specific subreports to help you clearly show alternative assets and their Internal Rate of Return (IRR) performance in your client reports.

If you have a subreport in a report that displays Time-Weighted Return (TWR) asset-level performance, we will still show your alternatives as TWR based on your specific report settings.

We'll have more updates on reporting your alternative assets in the weeks ahead. To stay up to date on the latest news about the Alternative Investment Platform, check out the Orion blog.

Or learn more about the challenges advisors face when tracking alternatives outside of a portfolio accounting system by downloading our new ebook.

Not already an Orion Client?

[Click here](#) to schedule a call with our team for a personal demo of how the Client Portal can help you create stronger client relationships.

If you currently work with Orion, please log into Orion Social to contact Orion Reporting getting started.

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