The Adaptive Asset Allocation Policy (AAAP) Calculator enables users to view the path over time of a Strategic Asset Allocation Policy which is adapted to Global, US or UK bond and equity market movements.

- The AAAP Calculator demonstrates the path of an adaptive asset allocation policy in three ways:
  - Adaptive policy weights compared to the market over time, both before and after policy date set.
  - The current adaptive policy weightings for an allocation set at different times.
  - The current adaptive asset allocation for any policy set on a given date.

- FTSE has developed the AAAP Calculator in conjunction with Professor William F. Sharpe based on his research into the merits of publicising strategic asset allocation policies that adapt to market movements by taking into account changes in the outstanding market values of major asset classes.

* Professor Sharpe is the STANCO 25 Professor of Finance, Emeritus at Stanford University’s Graduate School of Business. He was one of the originators of the Capital Asset Pricing Model and developed the Sharpe Ratio for investment performance analysis. In 1990 he received the Nobel Prize in Economic Sciences.
Adaptive Asset Allocation Policy Calculator

User Guide

1. Set your criteria using the control panel, i.e. choice of region, equity %, policy set month and the date range you want to view the impact of an AAAP over (NB: data is available from May 2000 to the present day).

2. Click ‘Apply’ to recalculate the charts with your criteria. The screen will refresh when the calculation is complete.

3. Click the icon to display each chart in Enlarged View.

4. In Enlarged View, hover on a time-series line (or a bar in other relevant chart types) to view the data on a particular date.

5. ‘Minimize’ to shut Enlarged View.

6. Click the icon to download the chart data in CSV format.

Monthly data updates

Data in the AAAP Calculator are sourced from a variety of external sources. The application is updated each month only after all the data are available. This can be as late as the middle of the month. When the data have updated, the date ranges in the control panel will show the latest month-end date in the dropdown menus.

Note: this is an indicative AAAP weight based on the selected region’s current bond and equity market capitalisation values and the policy that has been set.
Adaptive Asset Allocation Policy Calculator

Chart Descriptions

Proportion of Bond and Equity Markets
This chart shows the proportion of total market value represented by the bond and equity markets along with the Asset Allocation Policy weights.

AAAP and Market Weights – Given Policy Date
This chart shows market weightings, Asset Allocation Policy weightings and Adaptive Asset Allocation Policy weightings through time for a policy set on a given date.

Current AAAP Weights – Given Policy Date
This chart shows the current Adaptive Asset Allocation Policy weights for all Asset Allocation Policy weight settings on a given date.

AAAP Weights: Variable Policy Date
This chart shows the current Adaptive Asset Allocation Policy weights for an Asset Allocation Policy set at different points in time.

Policy and AAAP Performance plus Turnover
These charts show the simulated performance of a given Asset Allocation Policy and the associated Adaptive Asset Allocation Policy. The turnover of the Adaptive Asset Allocation Policy is also shown.