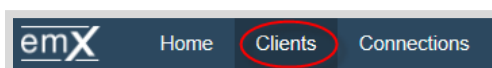


In this user guide we will demonstrate how to use the Portfolio Analysis Center.

The Portfolio Analysis Center may be used to plot existing portfolios along the Return vs. Risk Graph as well as to create Efficient Portfolios. It is intended to show the risk vs. return tradeoffs in making investment decisions. The Portfolio Analysis Center allows the advisor to create model portfolios that appear in the client base facts and can be used as the model for any asset or in a reinvestment transaction.

1. Click on **Clients** and choose a client.



2. From the Client Overview, click **Plans**.

Asset Class	Value	Percentage
Equities	\$1,835,413.75	59.42%
Taxable Bonds	\$780,646.00	25.27%
Cash	\$224,698.25	7.27%
Other	\$190,000.00	6.15%
Tax Exempt Bonds	\$58,369.75	1.89%

3. Click **Portfolio Analysis** under Tools (towards the bottom of the page).

**Tools**

- Overview
- What-ifs (3)
- Investment Planning (0)
- Needs Analysis (0)
- Portfolio Analysis (0)**
- Financial Concepts (0)
- Additional Tools (2)

**Overview**

- What-ifs**  
Stress test a scenario.
- Investment Planning**  
Track and monitor an investment proposal.
- Needs Analysis**  
Evaluate an individual need such as education or life insurance.
- Portfolio Analysis**  
Analyze investment accounts and portfolios.
- Financial Concepts**  
Illustrate a specific wealth management concept.
- Additional Tools**  
More tools to help analyze your client's financial situation.

4. Click **Add** to create a new **Portfolio Analysis** plan.

**Traditional Plans**

Overview	
Advanced Plans	3
What-ifs	9
Investment Plans	0
Needs Analyses	0
<b>Portfolio Analyses</b>	<b>0</b>
Financial Concepts	0

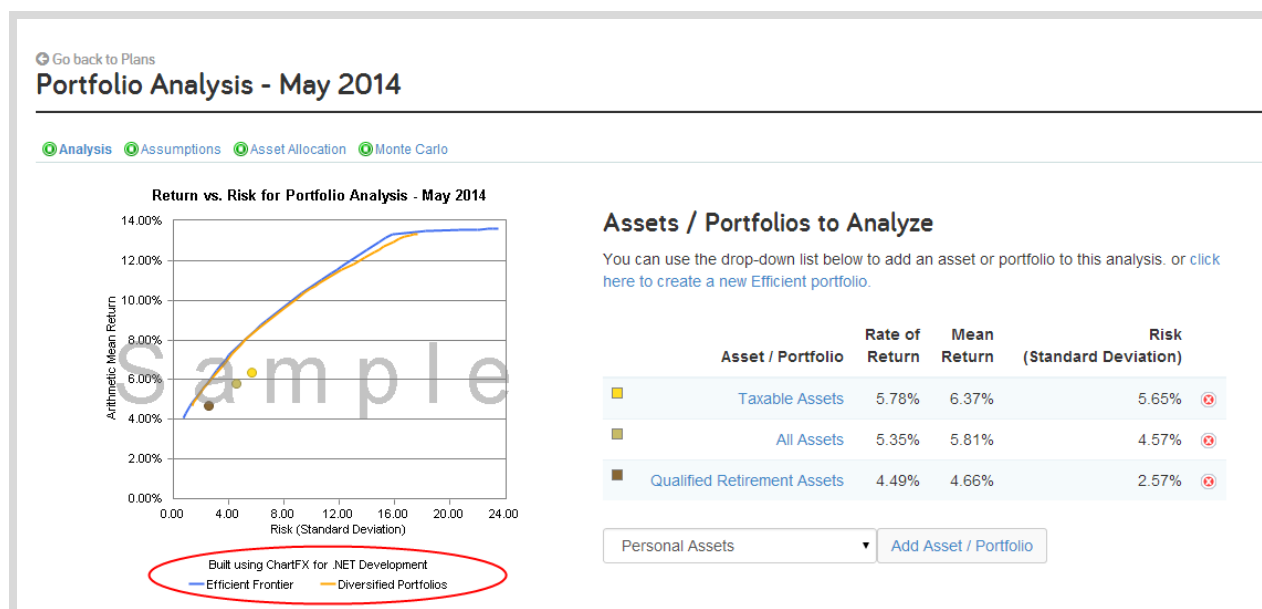
**Portfolio Analyses** Add

You have no Portfolio Analyses.

The **Portfolio Analysis Center** allows the advisor to create multiple analysis projects. Projects can be created, edited, copied and deleted. The Analysis page shows the Return vs. Risk graph.

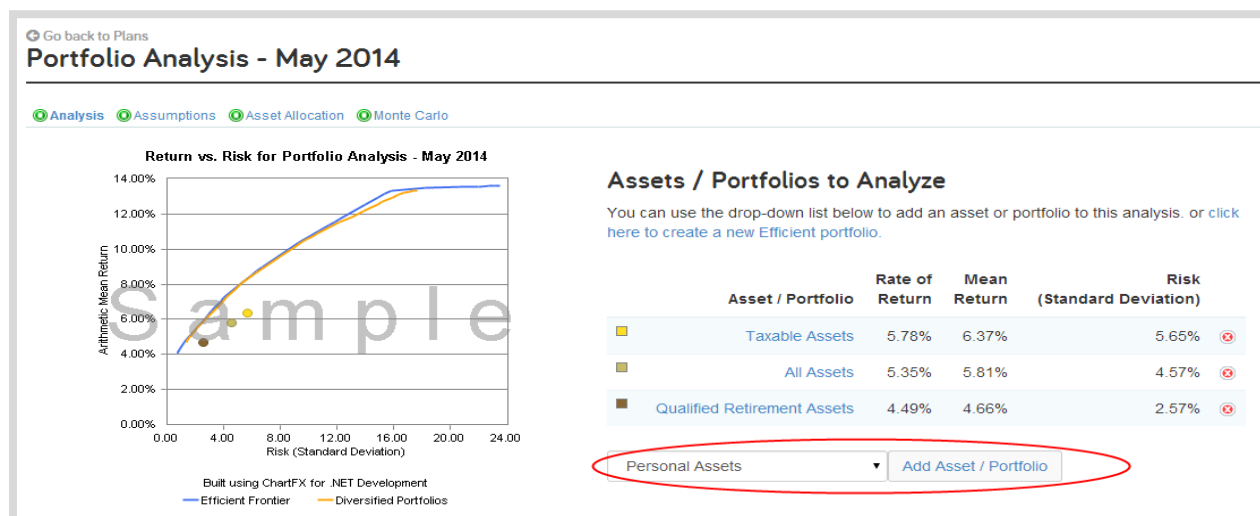
The **Efficient Frontier** curve marks the highest rate of return for a given level of risk. This curve has a tendency to overweight in a single asset class.

The **Diversified Portfolio** curve provides a truer depiction of how the client would actually invest with an asset mix. As default both the Efficient Frontier and Diversified Portfolios curves are enabled.



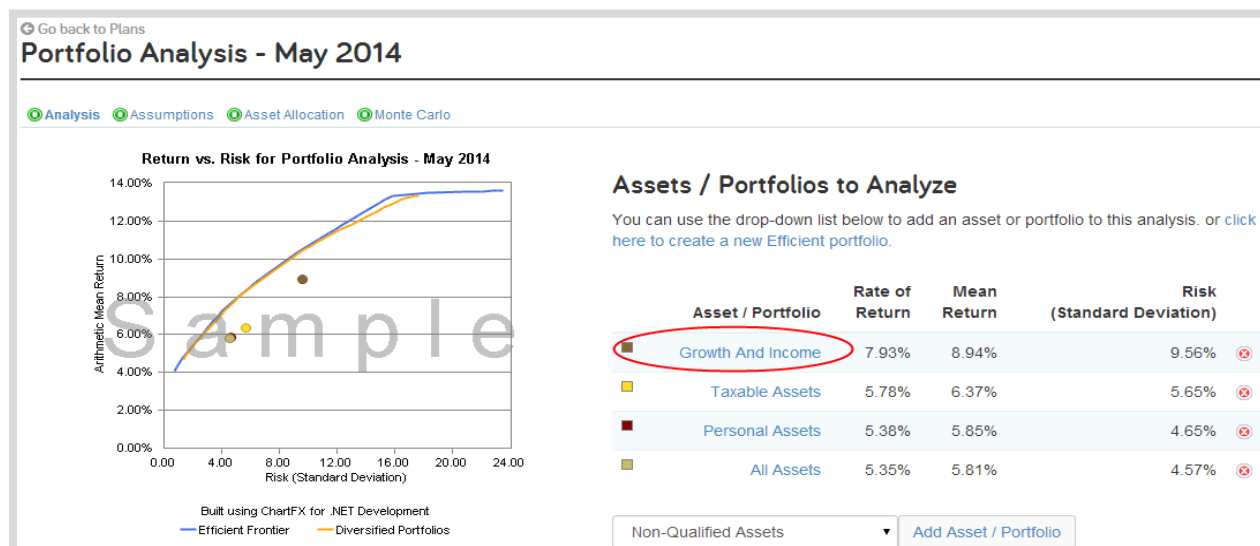
As a default, the system will automatically plot **Taxable Assets**, **All Investment Assets** and **Qualified Retirement Assets**. The advisor may plot any predefined group of assets, model portfolios, custom groups and individual accounts along the Return vs. Risk graph.

1. Select from the dropdown and click **Add Asset/Portfolio**.



**Please Note:** Items may be removed by selecting from the corresponding RED X next to each item. If the advisor created a Custom Group, that group will show in the dropdown.

2. To view the asset mix of a given portfolio, select the name which is a BLUE hyperlink.



- This page displays the current mix of asset classes. To return to the high level Analysis Page click **Back To The Previous Page**.

Go back to Plans

## Portfolio Analysis - May 2014

Analysis Assumptions Asset Allocation Monte Carlo

Changes to the Asset Mix of this model portfolio will affect all clients using Advisor Assumptions.

### Growth And Income

This page displays the current mix of asset classes for Growth And Income.

You may add or remove Asset Classes, or change the percents of any Asset Classes in this model portfolio. The total Percent of Portfolio must equal 100%.

Rate of Return: 7.93%  
 Mean Rate of Return: 8.94%  
 Risk (Standard Deviation): 9.56%

Asset Class	Rate of Return	Mean Rate	Risk (Standard Deviation)	Percent of Portfolio
Large-Cap Growth	9.56%	11.17%	16.90%	<input type="text" value="23.00%"/>
Investment Grade Bonds	5.24%	5.33%	3.53%	<input type="text" value="20.00%"/>
Large-Cap Value	10.19%	11.40%	14.53%	<input type="text" value="17.00%"/>
Short Term Bonds	3.63%	3.67%	1.52%	<input type="text" value="10.00%"/>
Mid-Cap Growth	10.72%	13.14%	20.57%	<input type="text" value="5.00%"/>
International	9.17%	10.86%	17.46%	<input type="text" value="5.00%"/>
Cash & Money Market Funds	3.74%	3.75%	0.90%	<input type="text" value="4.00%"/>
Small-Cap Growth	8.07%	10.87%	22.46%	<input type="text" value="3.00%"/>
Small-Cap Value	11.00%	12.66%	17.02%	<input type="text" value="2.00%"/>
<b>Total:</b>				<b>100.00%</b>

[Save Changes](#)

Add an Asset Class:

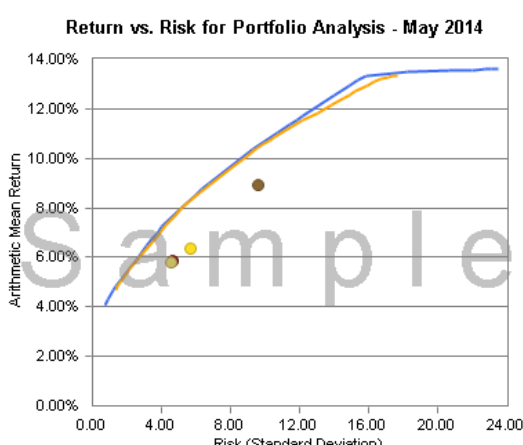
[BACK TO THE PREVIOUS PAGE](#)

A New Efficient Portfolio can also be created.

1. Click the **blue hyperlink** to create a new Efficient Portfolio.
2. Complete the appropriate fields and click **Create Portfolio**.

**Portfolio Analysis - May 2014**

Analysis Assumptions Asset Allocation Monte Carlo



**Assets / Portfolios to Analyze**

You can use the drop-down list below to add an asset or portfolio to this analysis. [click here to create a new Efficient portfolio.](#)

**Create New Efficient Model Portfolio**  
Enter a name, and the desired level of risk for the new model portfolio.

Name:

Desired Average Rate of Return:

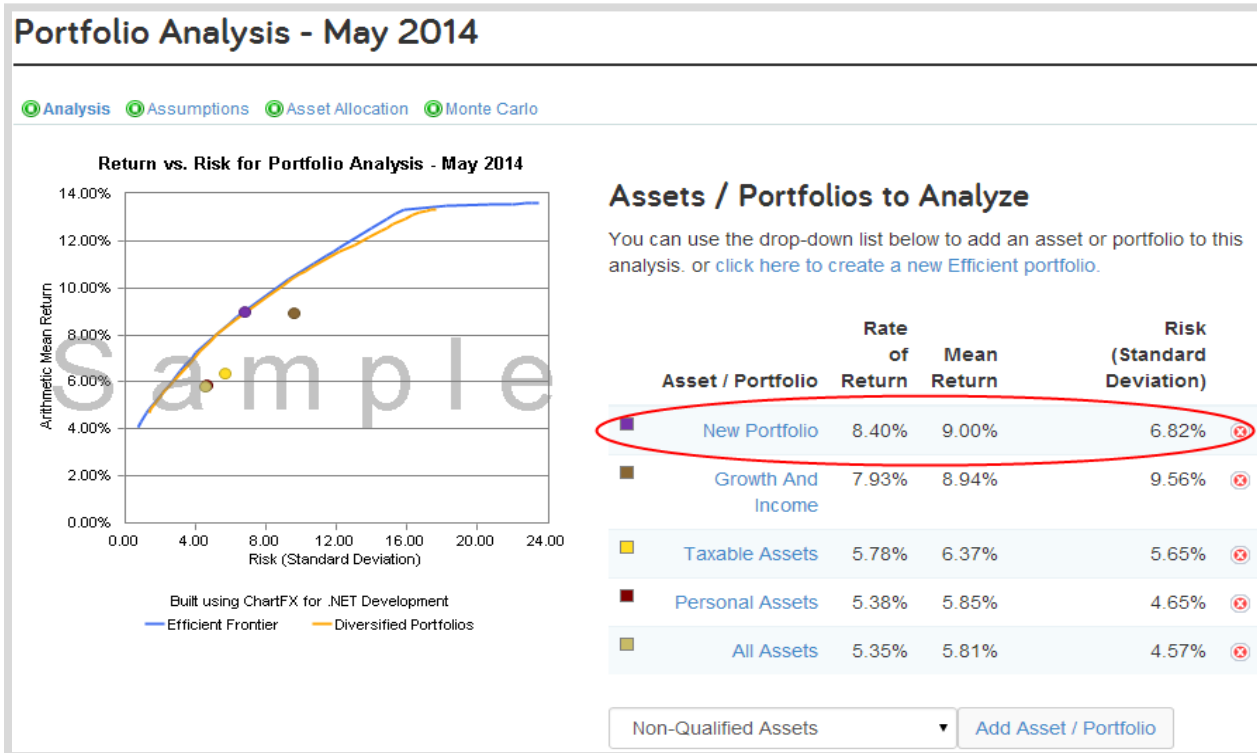
Maximum Concentration:

Asset / Portfolio	Rate of Return	Mean Return	Risk (Standard Deviation)
Growth And Income	7.93%	8.94%	9.56% <input type="button" value="x"/>
Taxable Assets	5.78%	6.37%	5.65% <input type="button" value="x"/>
Personal Assets	5.38%	5.85%	4.65% <input type="button" value="x"/>
All Assets	5.35%	5.81%	4.57% <input type="button" value="x"/>

Non-Qualified Assets

The Efficient Portfolio is now available on the list of Portfolios and will be plotted along the Return vs. Risk graph. Please note that it will mark to the Diversified Portfolio line which represents a maximum concentration in a single asset class at 25%. If the maximum concentration in a single asset class is more or less than 25% then the Efficient Portfolio may not mark to the Diversified Portfolio line. In this case, an 8% rate of return corresponds to a 2.80% standard deviation.

- In order to view the asset mix of the new portfolio, select **New Portfolio**, which is a blue hyperlink.
- Click **New Portfolio**.



- This page displays the current mix of asset classes for the New Portfolio. The advisor may add or remove Asset Classes, or change the percents of any Asset Classes in this model portfolio. The total percent of Portfolio must equal 100%.

### Return vs. Risk for Portfolio Analysis - May 2014

Built using ChartFX for .NET Development  
 — Efficient Frontier — Diversified Portfolios

Changes to the Asset Mix of this model portfolio will affect all clients using Advisor Assumptions.

## New Portfolio

This page displays the current mix of asset classes for New Portfolio.

You may add or remove Asset Classes, or change the percents of any Asset Classes in this model portfolio. The total Percent of Portfolio must equal 100%.

Rate of Return: 8.40%  
 Mean Rate of Return: 9.00%  
 Risk (Standard Deviation): 6.82%

Asset Class	Rate of Return	Mean Rate	Risk (Standard Deviation)	Percent of Portfolio
Mid-Cap Value	11.88%	13.34%	15.84%	25.00%
Inflation Protected Securities	6.47%	6.71%	6.16%	25.00%
Hedge Funds	8.75%	9.08%	7.34%	25.00%
Investment Grade Bonds	5.24%	5.33%	3.53%	20.19%
Mid-Cap Blend	11.76%	13.34%	16.49%	4.81%
<b>Total:</b>				<b>100.00%</b>

Add an Asset Class:

**Please Note: Click Back To The Previous Page to return to the Analysis.**



On the Assumptions page the advisor can customize client preferences by manipulating the asset class constraints. Please note that by selecting whether an asset class is included, and the minimum and maximum concentration in a single asset, will adjust the Efficient Frontier and Diversified Portfolio curves.

1. Click **Assumptions**.

Analysis **Assumptions** Asset Allocation Monte Carlo

### Return vs. Risk for Portfolio Analysis - May 2014

Asset Class Constraints

The constraints that you place on your minimum and maximum investments in an asset class affect the possible efficient portfolios that you can create.

Asset Class	Rate of Return	Mean Rate	Risk (Standard Deviation)	Minimum Investment	Maximum Investment
<input checked="" type="checkbox"/> Large Growth	9.56%	11.17%	16.90%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Large Value	10.19%	11.40%	14.53%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Large Blend	10.09%	11.36%	14.91%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Mid Growth	10.72%	13.14%	20.57%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Mid Value	11.88%	13.34%	15.84%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Mid Blend	11.76%	13.34%	16.49%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Small Growth	8.07%	10.87%	22.46%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Small Value	11.00%	12.66%	17.02%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Small Blend	9.77%	11.83%	19.10%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Balanced	8.23%	9.04%	9.24%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> International	9.17%	10.86%	17.46%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>
<input checked="" type="checkbox"/> Emerg Mkts	10.39%	13.61%	23.49%	<input type="text" value="0.0%"/>	<input type="text" value="100.0%"/>

Built using ChartFX for .NET Development  
 — Efficient Frontier — Diversified Portfolios

Present Mode Share Screen

The Asset Allocation page allows the advisor to view a side by side asset allocation graphs in addition to the dollar and percentage disparity in each asset class. Any predefined group, model portfolio, custom group or individual account may be compared against the same.

1. Select the **Portfolio** from the dropdown.

**Portfolio Analysis - May 2014**

Analysis 
  Assumptions 
  Asset Allocation 
  Monte Carlo

Show: Base Facts vs. **All Assets** vs. Base Facts vs. **New Portfolio**

Asset Class View: Detailed

**All Assets - Current Allocation**  
(5.35% blended rate)

Built using ChartFX for .NET Development

- Large Blend (2.61%)
- Mid Growth (5.00%)
- Mid Value (4.61%)
- Mid Blend (2.66%)
- Small Growth (1.13%)
- Small Blend (6.17%)
- Balanced (2.31%)
- Cash (0.78%)
- Unclassified (74.74%)

**New Portfolio Model Portfolio**  
(8.40% blended rate)

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- Mid Value (25.00%)
- Mid Blend (4.81%)
- Inv Grd Bnd (20.19%)
- IPS (25.00%)
- Hedge Funds (25.00%)

	Large Blend	Mid Growth	Mid Value	Mid Blend	Small Growth	Small Blend	Balanced	Inv Grd Bnd	IPS	Hedge Funds	Cash	Unclassified	Total
<b>ALL ASSETS - CURRENT ALLOCATION</b>													
Barclays 401K	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$640,192	\$640,192
Cash Account	0	0	0	0	0	0	0	0	0	0	50,000	0	50,000
E*Trade Account	0	0	0	0	0	0	30,926	0	0	0	0	36,216	67,142

**Please Note:** Select from the dropdown for Asset Class View **Detailed, High Level or Composite.**

The Monte Carlo Tab allows the advisor to run a simulation based on the portfolios that are desired. This Monte Carlo Analysis will do 1000 runs and will allow comparison drop down windows. The results will display within a chart line graph and also a table listing the details.

Analysis
  Assumptions
  Asset Allocation
  Monte Carlo

This Monte Carlo simulation shows the potential value of \$1 invested in the given asset allocation models for 20 years. 1000 simulations of asset class returns were run to calculate the possible future values of the investments. 40 sample trials are shown along with the average. Less risky portfolios will have a tighter range, while higher-risk/higher-return portfolios will be spread out across possible returns.

Show: Base Facts vs. Base Facts

All Assets vs. Retirement Assets

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[Web Print](#)

**Monte Carlo Analysis**  
All Assets - Current Allocation

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**Monte Carlo Analysis**  
Retirement Assets - Current Allocation

Built using ChartFX for .NET Development

This report simulates investing \$1 in each portfolio over a period of 20 years. It then runs 1,000 randomly simulated market returns and volatility and graphs hypothetical sample values of the portfolio. The intent is to show the average return and a sub-set of the trials in the Monte Carlo simulation in order to get an idea of the potential behavior of the portfolio. Values less than \$1 represent an investment loss, while values more than \$1 represent an investment gain. Less risky portfolios will have a tighter range of values, while higher-risk portfolios will have a broader spread of possible returns. This Monte Carlo simulation does not take into account any taxes or cash flow.

STATISTICS FOR ALL ASSETS - CURRENT ALLOCATION	STATISTICS FOR RETIREMENT ASSETS - CURRENT ALLOCATION
Average Rate of Return: 5.35%	Average Rate of Return: 4.37%
Risk (Standard Deviation): 4.57	Risk (Standard Deviation): 2.37
Starting Value: \$1.00	Starting Value: \$1.00
Average Ending Value: \$2.81	Average Ending Value: \$2.33
Maximum Ending Value: \$5.01	Maximum Ending Value: \$3.08
Minimum Ending Value: \$1.41	Minimum Ending Value: \$1.67
<b>Based upon an Asset Allocation of:</b>	<b>Based upon an Asset Allocation of:</b>
Large-Cap Blend 2.61%	Large-Cap Blend 10.24%
Mid-Cap Growth 5.00%	Unclassified 89.76%