

Looking to modify your Capital Market Assumptions within eMoney? Use this resource to get started.

## ASSET CLASSES & INDICES

In the FF > Assumptions > Investment area, you will have an initial list of asset classes that the system supports. Each asset class has an associated index tied to it and that index has assumed growth characteristics. See Figs 1 and 2. Each index has:

- ✓ Rate of Return - Geometric growth rate used for deterministic projections
- ✓ Mean Rate - Arithmetic growth rate used for monte carlo (stochastic) projections
- ✓ Standard deviation used for monte carlo
- ✓ Turnover and general tax characteristics

Market Index Name	Rate of Return	Mean Rate	Standard Deviation	Years	Ending Date	Div.	OI	CG	Non-Tax	Turnover Rate
30 Day T-Bill Rate	3.73%	3.74%	0.90%	77	12/31/2015	0%	100%	0%	0%	0%
Alerian MLP Index	12.70%	14.23%	16.19%	20	12/31/2015	0%	40%	20%	40%	20%
Barclays Capital 10 yr Muni	5.25%	5.39%	4.62%	15	12/31/2015	0%	0%	0%	100%	0%

Fig. 1. Index Data

### General Information

Name: Large-Cap Growth  
 Short Name: Large Growth  
 Rate of Return: 9.32%

### General Market Index Breakdown

Market Index	Rate of Return	Mean Rate	Standard Deviation	Percent of Class
Russell 1000 Growth Index	9.32%	10.86%	16.54%	100.00%

Fig. 2. Linking an index to an asset class

Based on your permission levels, you may be able to:

- ✓ Edit each index
- ✓ Add new indices
- ✓ Add new asset classes
  - Holding will map automatically only to the default asset classes. You can over-ride holdings so that they classify into a custom asset class.
  - Add new asset classes if your model portfolio(s) require asset classes that are not automatically included.

You may have more indices than asset classes which means there are unused indices. When you add a new asset class, you can either assign that asset class a brand new custom index that you create or select one of the unused indices. An index can only be assigned to one asset class.

A custom index will have a zero correlation to all of the other indices when running Monte Carlo. If assigning an unused index for a new asset class, then that index would have its correlation built in.

## MODEL PORTFOLIOS

Each portfolio is a collection of asset classes. You will see a set of default portfolios in the system.

Based on your permission levels, you may be able to:

- ✓ Edit Models
- ✓ Add Models

eMoney does not grow holdings individually. Each holding is assigned an asset class and all holdings in the same asset class receive the same growth assumptions.

## MANAGING INVESTMENT ASSUMPTIONS

System supports two approaches for managing your capital market assumptions.

### Advisor Level

- ✓ Found under the More dropdown – See Fig 3.
- ✓ Create and edit your assumptions and select which clients use this set of assumptions.
- ✓ To use this area effectively, this set of assumptions should apply to all or most of your clients.
- ✓ You can update your rates or models as often as desired and with one click, update all relevant clients.
- ✓ Can use an existing client's assumptions to establish the advisor level assumption rather than having to recreate all those same assumptions.

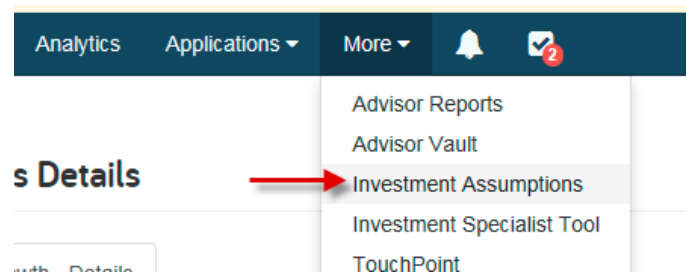


Fig. 3