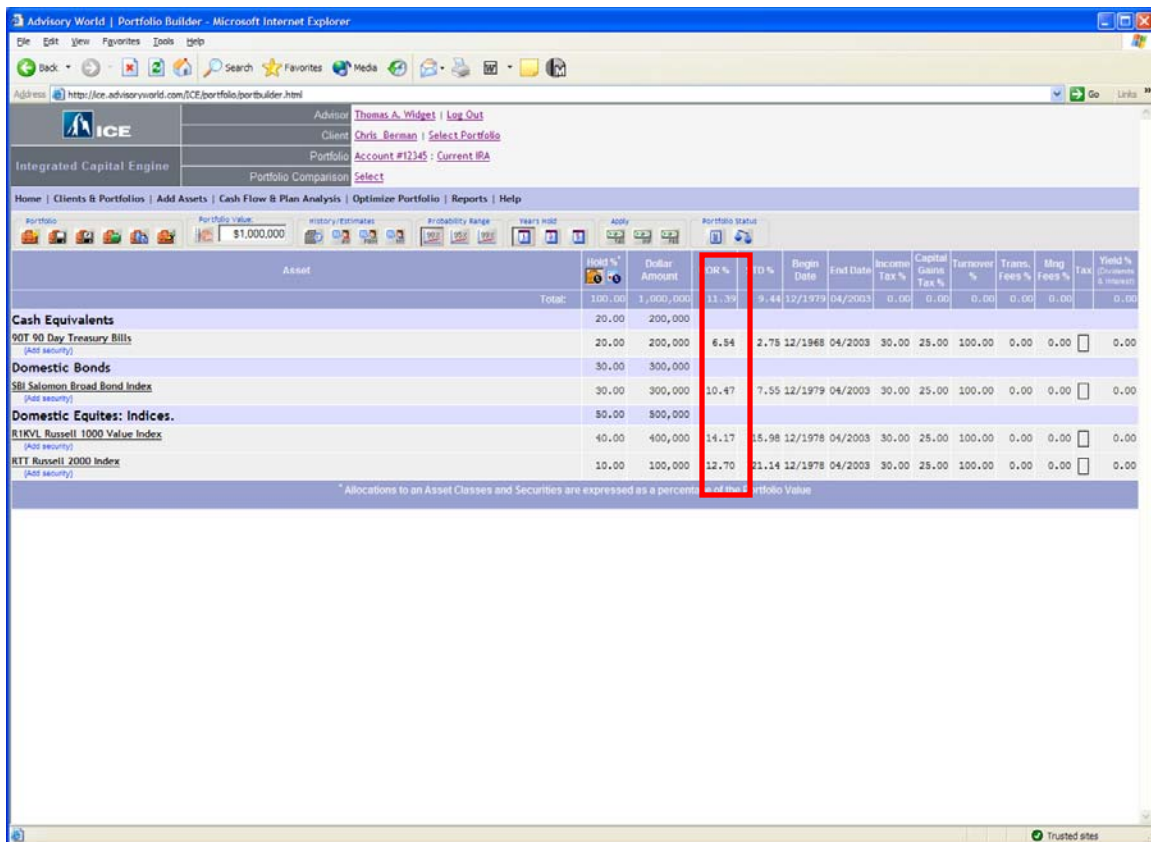


Using Estimated Asset Returns in ICE

The Integrated Capital Engine allows users to edit the historical estimated returns of various Asset Classes and Securities.

The application comes complete with AW's or AdvisoryWorld's estimates. AdvisoryWorld's estimates are only for 1 year Asset Class returns. These figures are built by first reviewing historical moving averages of the various asset classes in relation to 90 Day T-Bills. AdvisoryWorld's economic board then compiles a projection for a 1 year 90 Day T-Bill return going forward. The moving average of each of the asset classes are applied.



The screenshot displays the 'Portfolio Builder' interface in Microsoft Internet Explorer. The browser address bar shows 'http://ice.advisorworld.com/ICE/portfolio/portfoliobuilder.html'. The user is logged in as 'Thomas A. Widge' with client 'Chris Berman'. The portfolio is identified as 'Account #12345 - Current IRA'. The main table lists assets with columns for 'Asset', 'Hold %', 'Dollar Amount', 'ROR %', 'FD %', 'Begin Date', 'End Date', 'Income Tax %', 'Capital Gains Tax %', 'Turnover %', 'Trans. Fees %', 'Mng. Fees %', 'Tax', and 'Yield % (Current & 1 Year)'. A red box highlights the 'ROR %' column for the 'Total' row, which is 11.39%.

Asset	Hold %	Dollar Amount	ROR %	FD %	Begin Date	End Date	Income Tax %	Capital Gains Tax %	Turnover %	Trans. Fees %	Mng. Fees %	Tax	Yield % (Current & 1 Year)
Total:	100.00	1,000,000	11.39	9.44	12/1/1979	04/2003	0.00	0.00	0.00	0.00	0.00		0.00
Cash Equivalents													
90T 90 Day Treasury Bills (Add security)	20.00	200,000	6.54	2.75	12/1968	04/2003	30.00	25.00	100.00	0.00	0.00		0.00
Domestic Bonds													
SBI Salomon Broad Bond Index (Add security)	30.00	300,000	10.47	7.55	12/1979	04/2003	30.00	25.00	100.00	0.00	0.00		0.00
Domestic Equites: Indices.													
R1KVL Russell 1000 Value Index (Add security)	40.00	400,000	14.17	15.98	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00		0.00
RTT Russell 2000 Index (Add security)	10.00	100,000	12.70	11.14	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00		0.00

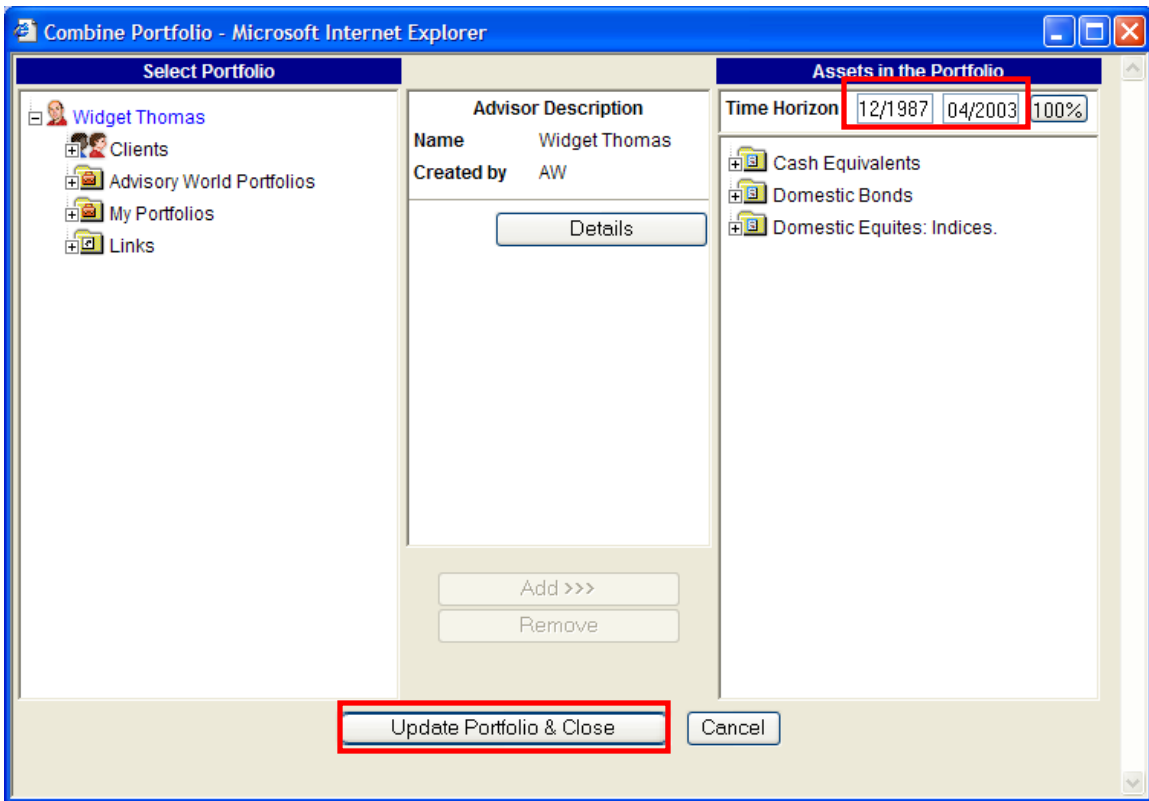
* Allocations to an Asset Classes and Securities are expressed as a percent of the Portfolio Value

In this case we are using the historical 1-year rolling returns of a portfolio that dates back to 12/1979. This portfolio consists of the following assets: 90 Day T-Bills, Salomon Broad Bond Index, Russell 1000 Value Index and Russell 2000 Index. The portfolio as a whole has a Rate of Return of 11.39%.

The screenshot shows the ICE Portfolio Builder interface. At the top, there is a navigation bar with links for Home, Clients & Portfolios, Add Assets, Cash Flow & Plan Analysis, Optimize Portfolio, Reports, and Help. Below this is a toolbar with various icons for portfolio management. The main content area displays a table of assets in the portfolio. The table has the following columns: Asset, Weight, Dollar Amount, ROR %, STD %, Begin Date, End Date, Income Tax %, Capital Gains Tax %, Turnover %, Trans. Fees %, Mng. Fees %, and Yield % (Dividends & Interest). The 'Total' row shows a weight of 100.00, a dollar amount of 1,000,000, an ROR of 11.79, and a standard deviation of 9.1. The 'Begin Date' and 'End Date' columns for the total row are highlighted with a red box, showing 12/1/979 and 04/2003 respectively. Below the table, there is a note: "Allocations to an Asset Classes and Securities are expressed as a percentage of the Portfolio Value".

Asset	Weight	Dollar Amount	ROR %	STD %	Begin Date	End Date	Income Tax %	Capital Gains Tax %	Turnover %	Trans. Fees %	Mng. Fees %	Yield % (Dividends & Interest)
Total:	100.00	1,000,000	11.79	9.1	12/1/979	04/2003	0.00	0.00	0.00	0.00	0.00	0.00
Cash Equivalents												
90T 90 Day Treasury Bills <small>(Add security)</small>	20.00	200,000	6.54	2.75	12/1968	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Bonds												
SBI Salomon Broad Bond Index <small>(Add security)</small>	30.00	300,000	10.47	7.55	12/1979	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Equities: Indices.												
R1KVL Russell 1000 Value Index <small>(Add security)</small>	40.00	400,000	14.17	15.98	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
RTT Russell 2000 Index <small>(Add security)</small>	10.00	100,000	12.70	21.14	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00

Now let's change the historical time horizon to review performance for that period. Click on the Change Time Horizon button.



Enter the new beginning date (you can change the ending date as well) and then press Update Portfolio and Close.

Advisory World | Portfolio Builder - Microsoft Internet Explorer

Address: [Thomas A. Widge](#) | [Log Out](#)

Client: [Chris Berman](#) | [Select Portfolio](#)

Portfolio: [Account #12345 - Current IRA](#)

Integrated Capital Engine

Portfolio Comparison: [Select](#)

Home | Clients & Portfolios | Add Assets | Cash Flow & Plan Analysis | Optimize Portfolio | Reports | Help

Portfolio Value: \$1,000,000

Asset	Hold %	Dollar Amount	RO %	TD %	Begin Date	End Date	Income Tax %	Capital Gains Tax %	Turnover %	Trans. Fees %	Mng. Fees %	Yield % (Dividends & Interest)
Total:	100.00	1,000,000	9.60	7.91	12/1987	04/2003	0.00	0.00	0.00	0.00	0.00	0.00
Cash Equivalents												
90T 90 Day Treasury Bills <small>(Add security)</small>	20.00	200,000	5.21	1.67	12/1968	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Bonds												
SBI Salomon Broad Bond Index <small>(Add security)</small>	30.00	300,000	6.68	4.74	12/1979	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Equities: Indices.												
R1KVL Russell 1000 Value Index <small>(Add security)</small>	40.00	400,000	12.28	14.84	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
RTT Russell 2000 Index <small>(Add security)</small>	10.00	100,000	10.46	17.08	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00

* Allocations to an Asset Classes and Securities are expressed as a percentage of the Portfolio Value

The asset returns are quite different and in fact the portfolio Rate of Return over that time period is 9.60%.

Advisory World | Portfolio Builder - Microsoft Internet Explorer

Address: [Thomas A. Widge | Log Out](#)
Client: [Chris Berman | Select Portfolio](#)
Portfolio: [Account #12345 - Current IRA](#)
Portfolio Comparison: [Select](#)

Home | Clients & Portfolios | Add Assets | Cash Flow & Plan Analysis | Optimize Portfolio | Reports | Help

Portfolio Value: \$1,000,000

Asset: [Apply AW estimates](#)

Asset	Weight %	Dollar Amount	NDR %	STD %	Begin Date	End Date	Income Tax %	Capital Gains Tax %	Turnover %	Trans. Fees %	Mng. Fees %	Yield % (Dividends & Interest)
Cash Equivalents	100.00	1,000,000	9.40	7.91	12/1987	04/2003	0.00	0.00	0.00	0.00	0.00	0.00
90T 90 Day Treasury Bills <small>(Add security)</small>	20.00	200,000	5.21	1.67	12/1968	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Bonds	30.00	300,000										
SBI Salomon Broad Bond Index <small>(Add security)</small>	30.00	300,000	8.68	4.74	12/1979	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Equities: Indices.	80.00	800,000										
R1KVL Russell 1000 Value Index <small>(Add security)</small>	40.00	400,000	12.28	14.84	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
RTT Russell 2000 Index <small>(Add security)</small>	10.00	100,000	10.46	17.08	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00

* Allocations to an Asset Classes and Securities are expressed as a percentage of the Portfolio Value

Click on the Apply AW Estimates button.

Microsoft Internet Explorer

Are you sure you want to apply AW's estimates to all the assets?

Press OK.

Advisory World | Portfolio Builder - Microsoft Internet Explorer

Address: [Thomas A. Widge](#) | [Log Out](#)

Client: [Chris Berman](#) | [Select Portfolio](#)

Portfolio: [Account #12345 - Current IRA](#)

Integrated Capital Engine

Portfolio Comparison: [Select](#)

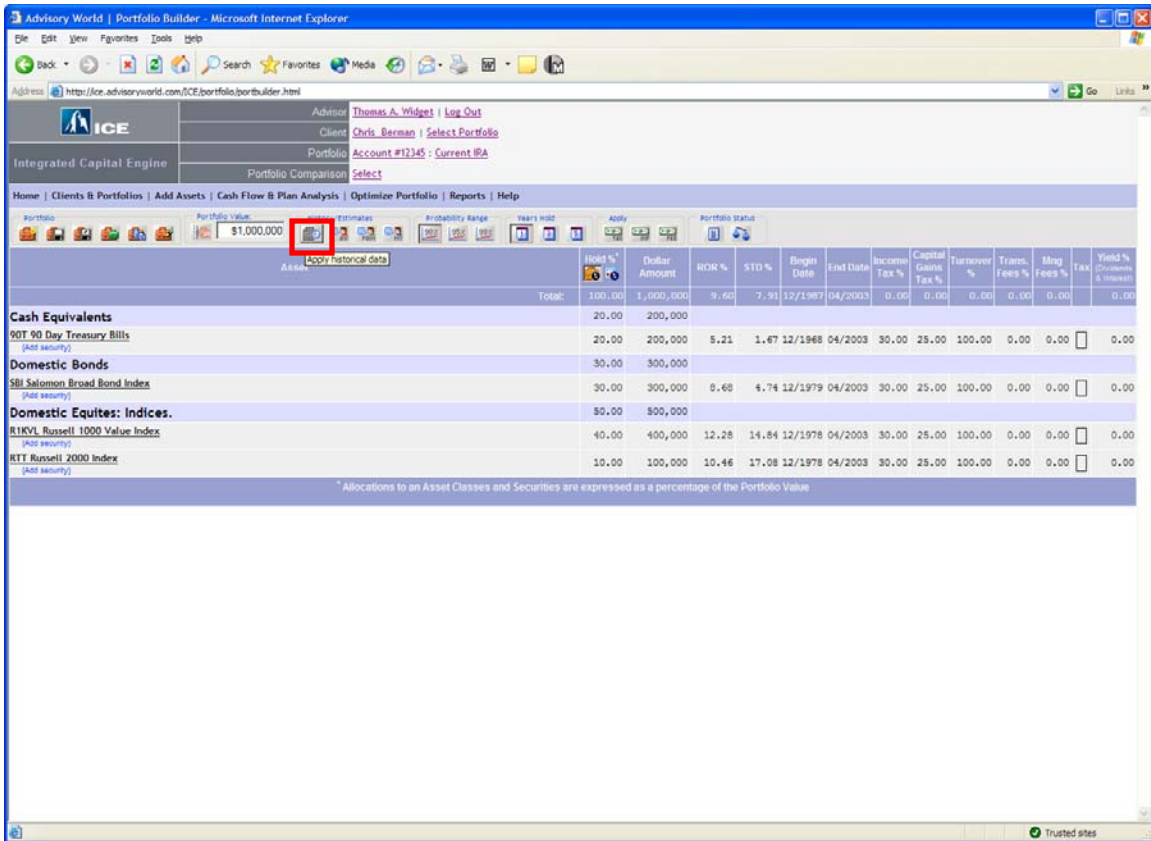
Home | Clients & Portfolios | Add Assets | Cash Flow & Plan Analysis | Optimize Portfolio | Reports | Help

Portfolio Value: \$1,000,000

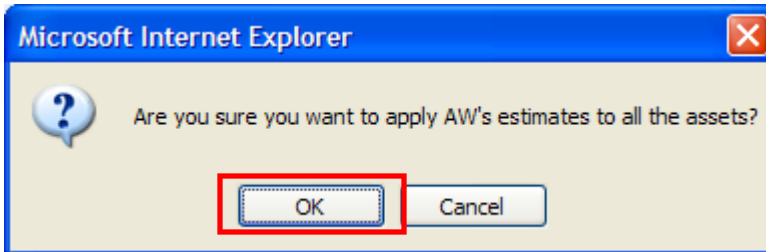
Asset	Weight %	Dollar Amount	RO %	TD %	Begin Date	End Date	Income Tax %	Capital Gains Tax %	Turnover %	Trans. Fees %	Mng. Fees %	Yield % (Dividends & Interest)
Total	100.00	1,000,000	5.98	7.91	12/1987	04/2003	0.00	0.00	0.00	0.00	0.00	0.00
Cash Equivalents												
90T 90 Day Treasury Bills <small>(Add security)</small>	20.00	200,000	1.12	1.67	12/1968	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Bonds												
SBI Salomon Broad Bond Index <small>(Add security)</small>	30.00	300,000	4.70	4.74	12/1979	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Equities: Indices.												
R1KVL Russell 1000 Value Index <small>(Add security)</small>	40.00	400,000	9.04	14.84	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
RTT Russell 2000 Index <small>(Add security)</small>	10.00	100,000	7.33	17.08	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00

* Allocations to an Asset Classes and Securities are expressed as a percentage of the Portfolio Value

Now all of the asset returns are colored in cardinal to denote that they are estimates. Notice the portfolio Rate of Return is 5.98%.



Reapply the Historical returns by clicking on the Apply Historical Estimates button.



Press OK.

Asset	90T	Sal. Bond	R. 1000 Val.	R. 2000	Portfolio
RoR 12/79-5/03	6.54	10.47	14.17	12.7	11.39
RoR 12/79-5/03	5.21	8.68	12.28	10.46	6.60
RoR Estimates	1.12	4.70	9.04	7.33	5.98

Using My Estimates

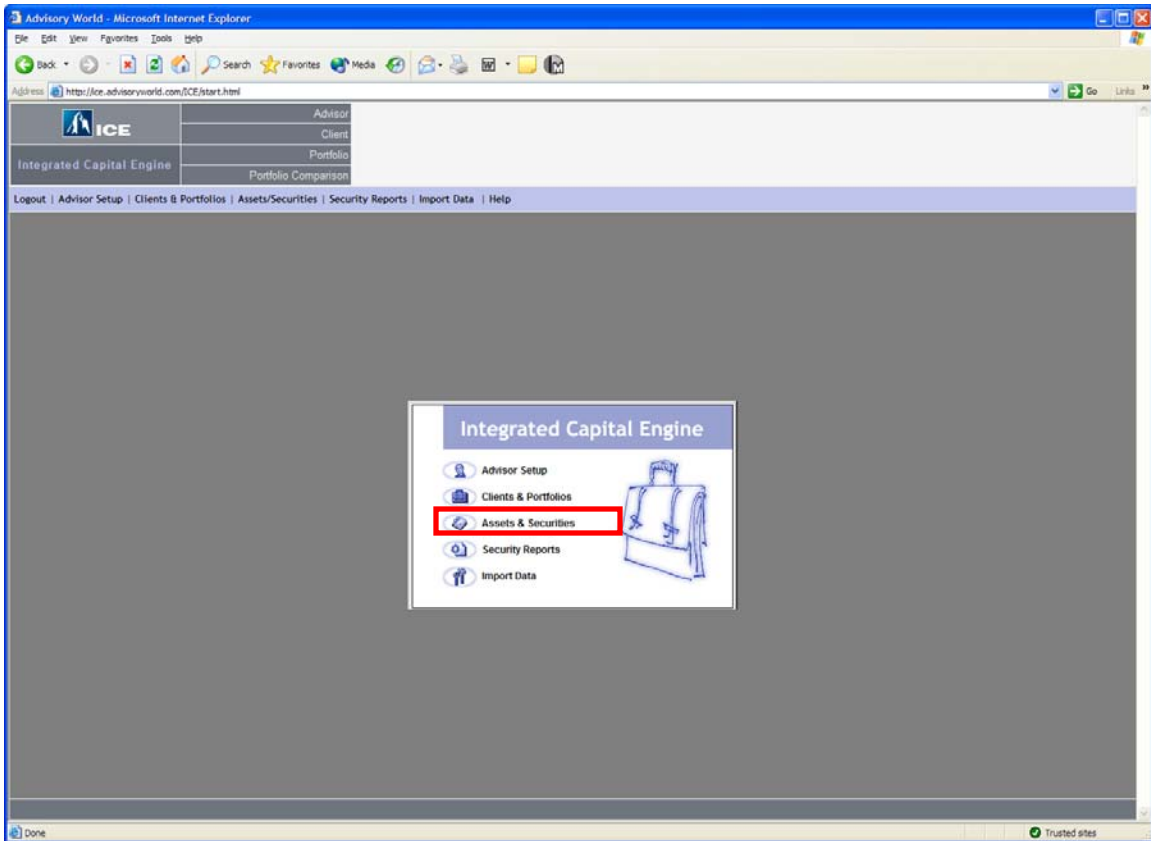
You can set up your estimates for various asset classes and securities globally and/or edit estimates “on the fly.”

The screenshot shows the 'ICE Advisory World | Portfolio Builder' interface. The top navigation bar includes 'Home | Clients & Portfolios | Add Assets | Cash Flow & Plan Analysis | Optimize Portfolio | Reports | Help'. Below this is a toolbar with icons for portfolio value, history, estimates, probability range, history tool, and apply. The main table displays asset allocations for a \$1,000,000 portfolio. A red box highlights the ROR % cell for '90T 90 Day Treasury Bills'.

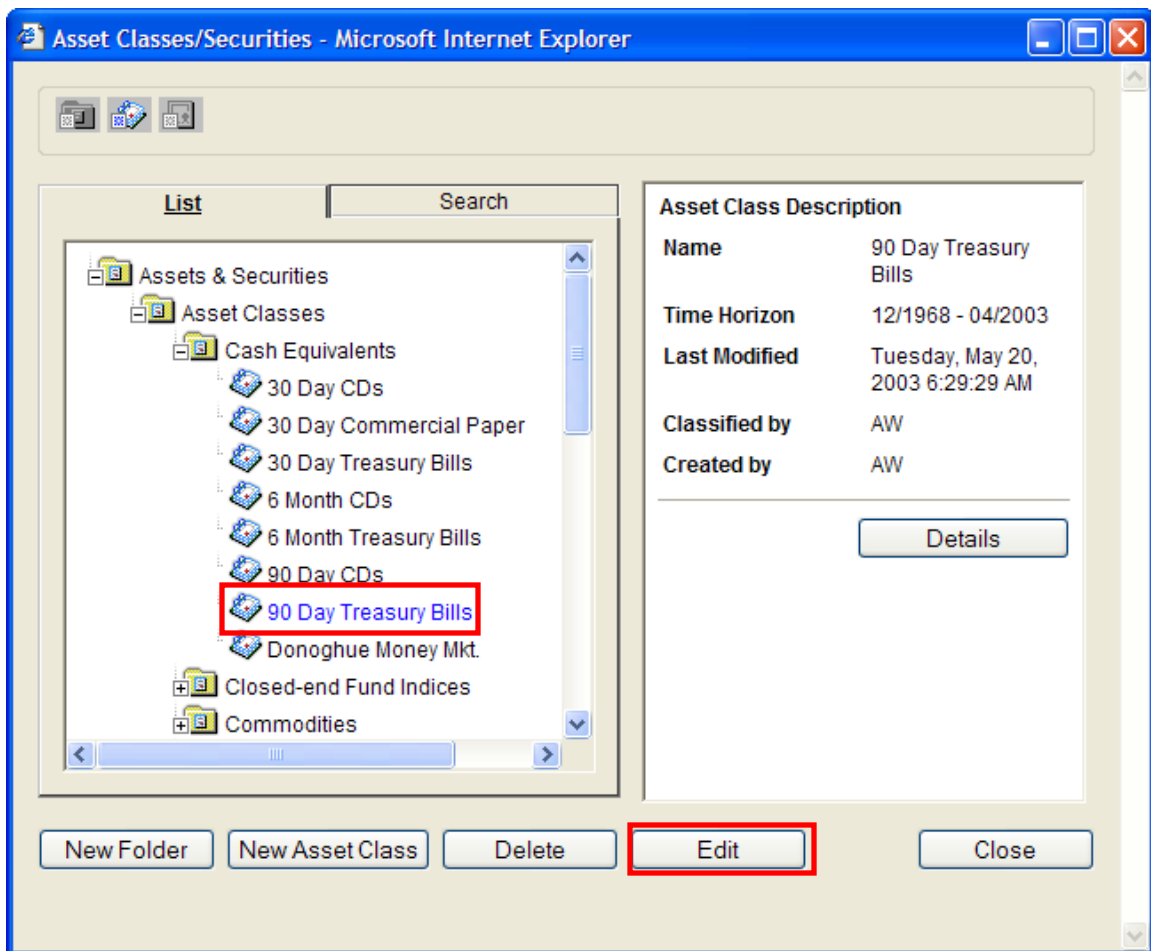
Asset	Hold %	Dollar Amount	ROR %	STD %	Begin Date	End Date	Income Tax %	Capital Gains Tax %	Turnover %	Trans. Fees %	Mngt. Fees %	Tax	Yield % (Dividends & Interest)
Total	100.00	1,000,000	9.34	7.91	12/1987	04/2003	0.00	0.00	0.00	0.00	0.00		0.00
Cash Equivalents	20.00	200,000											
90T 90 Day Treasury Bills	20.00	200,000	1.47	12/1968	04/2003	30.00	25.00	100.00	0.00	0.00			0.00
Domestic Bonds	30.00	300,000											
SBI Salomon Broad Bond Index	30.00	300,000	6.68	4.74	12/1979	04/2003	30.00	25.00	100.00	0.00	0.00		0.00
Domestic Equities: Indices	50.00	500,000											
R1KVI Russell 1000 Value Index	40.00	400,000	12.28	14.84	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00		0.00
RTI Russell 2000 Index	10.00	100,000	10.46	17.08	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00		0.00

* Allocations to an Asset Classes and Securities are expressed as a percentage of the Portfolio Value

Simply click in the Rate of Return cell next to whatever assets that you'd like to edit the returns and enter the new value. Be sure to press save after you have made all of your changes. Performing this type of estimation will not affect any other portfolios.



Click on Assets & Securities from the ICE homepage to set up your estimated returns globally.



Next locate the asset class or security that you'd like add an estimate for, click on it(the name becomes blue) and press Edit.

Asset/Security - Microsoft Internet Explorer

Identification General Information Performance and MPT Statistics Definition History **Estimate**

AW Estimates		
Holding Period(Years)	ROR	Std
1	1.12%	0.00%

Firm Estimates
Not Defined

My Estimates
Not Defined

Modify RORs/STDs

Ok Cancel Apply

Click on the Estimate tab and then press Modify RORs/STDs.

Asset/Security - Microsoft Internet Explorer

Identification General Information Performance and MPT Statistics Definition History **Estimate**

AW Estimates

	Holding Period(Years)	ROR	Std
	1	1.12%	0.00%

Firm Estimates

Not Defined

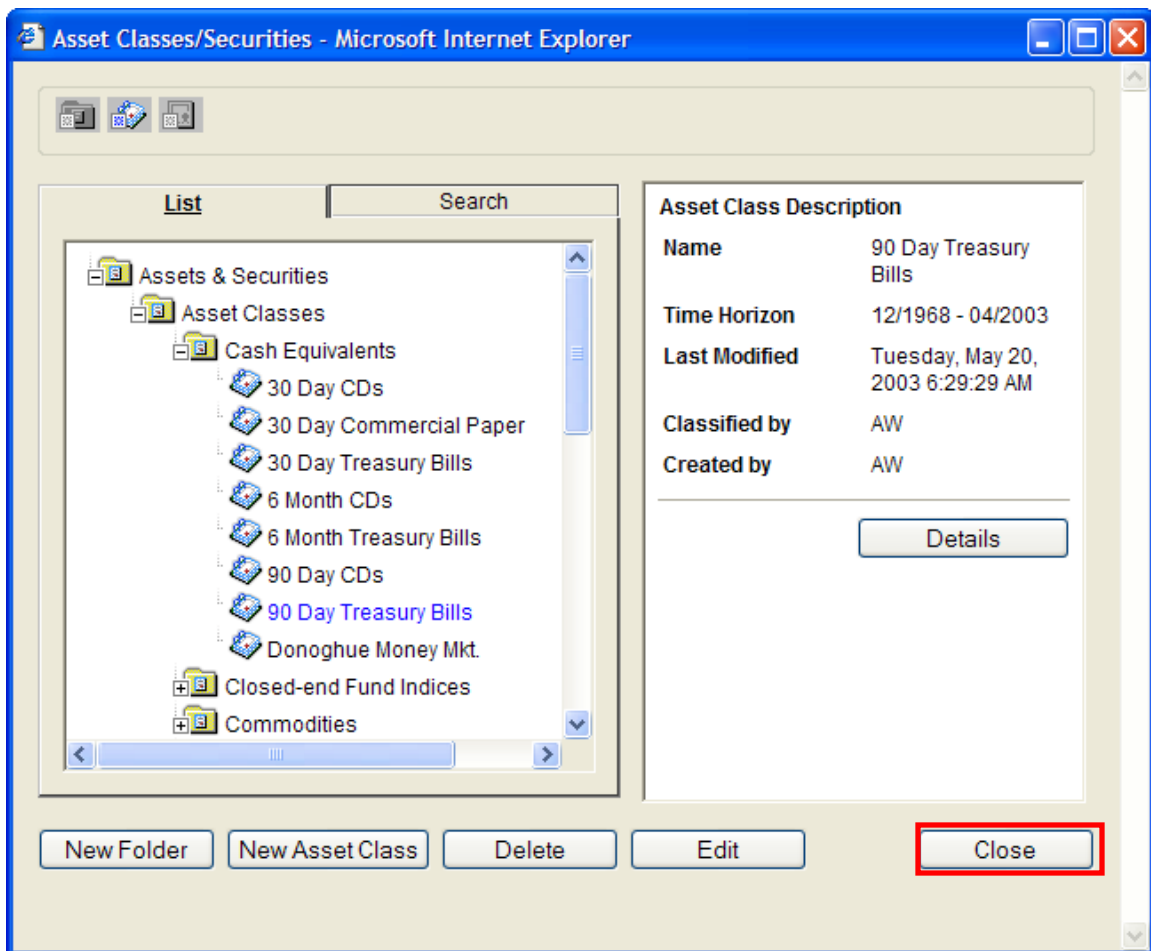
My Estimates

	Holding Period(Years)	ROR	Std
Delete	1	1.50%	0.00%

Modify RORs/STDs

Ok Cancel Apply

Enter the Holding Period (1,3 or 5 years), the ROR(Rate of Return) and the STD(Standard Deviation). Leaving the Standard Deviation at 0.00% will force the application to use the historical STD, something we recommend doing. After you have added this information press OK.



Repeat the process for whichever classes/securities you'd like and then press Close.

Advisory World | Portfolio Builder - Microsoft Internet Explorer

Address: [Thomas A. Widge](#) | [Log Out](#)

Client: [Chris Berman](#) | [Select Portfolio](#)

Portfolio: [Account #12345 - Current IRA](#)

Portfolio Comparison: [Select](#)

Home | Clients & Portfolios | Add Assets | Cash Flow & Plan Analysis | Optimize Portfolio | Reports | Help

Portfolio Value: \$1,000,000

Apply My Estimates

Asset	Hold %	Dollar Amount	WDR %	STD %	Begin Date	End Date	Income Tax %	Capital Gains Tax %	Turnover %	Trans. Fees %	Mng. Fees %	Yield % (Dividends & Interest)	
Cash Equivalents	Total:	100.00	1,000,000	9.40	7.91	12/1987	04/2003	0.00	0.00	0.00	0.00	0.00	
90T 90 Day Treasury Bills <small>(Add security)</small>		20.00	200,000		5.21	1.67	12/1968	04/2003	30.00	25.00	100.00	0.00	0.00
Domestic Bonds		30.00	300,000										
SBI Salomon Broad Bond Index <small>(Add security)</small>		30.00	300,000	8.68	4.74	12/1979	04/2003	30.00	25.00	100.00	0.00	0.00	
Domestic Equities: Indices		80.00	800,000										
R1KVL Russell 1000 Value Index <small>(Add security)</small>		40.00	400,000	12.28	14.84	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	
RTT Russell 2000 Index <small>(Add security)</small>		10.00	100,000	10.46	17.08	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	

* Allocations to an Asset Classes and Securities are expressed as a percentage of the Portfolio Value

Now click on Apply My Estimates to apply these estimates to your portfolio.

Microsoft Internet Explorer

Are you sure you want to apply AW's estimates to all the assets?

OK Cancel

Press OK.

Advisory World | Portfolio Builder - Microsoft Internet Explorer

Address: [Thomas A. Widge | Log Out](#)

Client: [Chris Berman | Select Portfolio](#)

Portfolio: [Account #12345 - Current IRA](#)

Portfolio Comparison: [Select](#)

Home | Clients & Portfolios | Add Assets | Cash Flow & Plan Analysis | Optimize Portfolio | Reports | Help

Portfolio Value: \$1,000,000

Asset	Hold %	Dollar Amount	NDR %	STD %	Begin Date	End Date	Income Tax %	Capital Gains Tax %	Turnover %	Trans. Fees %	Mng. Fees %	Yield % (Dividends & Interest)
Cash Equivalents	100.00	1,000,000	8.86	7.91	12/1987	04/2003	0.00	0.00	0.00	0.00	0.00	0.00
90T 90 Day Treasury Bills <small>(Add security)</small>	20.00	200,000	1.00	1.67	12/1968	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Bonds	30.00	300,000										
SBI Salomon Broad Bond Index <small>(Add security)</small>	30.00	300,000	8.68	4.74	12/1979	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
Domestic Equities: Indices.	50.00	500,000										
R1KVL Russell 1000 Value Index <small>(Add security)</small>	40.00	400,000	12.28	14.84	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00
RTT Russell 2000 Index <small>(Add security)</small>	10.00	100,000	10.46	17.08	12/1978	04/2003	30.00	25.00	100.00	0.00	0.00	0.00

* Allocations to an Asset Classes and Securities are expressed as a percentage of the Portfolio Value

This estimate is set.

Please contact AdvisoryWorld if you have any questions regarding this or any feature of the award winning ICE application.

800-480-3888 | info@advisoryworld.com