

Proposal Generation & Presentation



A streamlined proposal process that delivers workflow efficiencies.

The screenshot displays the 'New Proposal' workflow in the Envestnet system. The interface is organized into a sidebar on the left and a main content area on the right. The sidebar contains a vertical list of steps: PRACTICE, SERVICE REQUESTS, PROPOSALS, PROPOSAL GUIDE, Profile, Proposal Properties (selected), Risk Assessment, Proposed Investments, Proposed Investment, Account Setup, Fees, Paperwork, and Summary. The main content area shows the details for 'The Demo Family - New Proposal', including the objective and portfolio value. A progress bar at the top of the main area indicates the current step is 'Proposal Properties', followed by 'Risk Assessment' and 'Proposed Investments'. Below the progress bar, the 'Proposal Properties' section is detailed with fields for Client Title, Proposal Title, Current Assets (with a radio button for 'All cash' and a text input for '\$300,000'), and Risk Assessment Method (with radio buttons for 'Risk Express' and 'Risk Questionnaire'). An 'Edit' button is located at the bottom right of the main content area.

PRACTICE | CLIENTS | MANAGE | RESEARCH | PLATFORM | [Logout](#)

Proposals > **New Proposal** | Michael ENV2

The Demo Family - New Proposal

Objective: | Portfolio: \$ 300,000 | Status: Edit

Proposal Properties > Risk Assessment > Proposed Investments >>>>>> **Next**

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Proposal Properties

Client Title	The Demo Family
Proposal Title	New Proposal
Current Assets	<input checked="" type="radio"/> All cash <input type="text" value="\$300,000"/> <input type="radio"/> Specify Current Asset detail
Risk Assessment Method	<input type="radio"/> Risk Express <input checked="" type="radio"/> Risk Questionnaire

Edit

Profile

- Proposal Properties**
- Risk Assessment

Build

- Proposed Investments
- Proposed Investment

Implement

- Account Setup
- Fees
- Paperwork

Review

- Summary

Utilize a *Risk Tolerance Questionnaire* to assess your client's investment objectives and save it for use in future investment proposals.

Current Assets
Risk Assessment

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🔧 Actions

Risk Assessment Set Growth Targets

Investment Objective: Growth

Profile Documentation: Financial planning client

Disclaimer

I confirm that I have determined, and have records to demonstrate, that the above-listed assessment is suitable given my client's risk/reward profile. I confirm an existing business relationship with the client. Based upon knowledge gained through this relationship and documentation contained in the client file, I affirm the client's suitability information to be accurate. I acknowledge that Envestnet Asset Management, Inc. ("Platform Manager") disclaims any responsibility or liability for my selection of this investment objective and agree to indemnify Platform Manager and applicable Sub-Manager for any claims, losses or other liabilities relating to the suitability of the selected investment objective. I understand that Platform Manager and/or Sub-Manager, if applicable, may request additional client information prior to investing the account.

Confirm

Edit

Current Assets
Risk Assessment

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🔧 Actions

Risk Profile Copy from existing proposal

Set Growth Targets

1. This graph shows the potential range of gains or losses of a \$100,000 investment in each of seven hypothetical portfolios at the end of a 1-year period. The number to the right of each bar shows the best potential gain for that portfolio, while the number to the left of each bar shows the worst potential loss. Given that this is the only information that you have on these seven hypothetical portfolios, which one would you choose to invest in?

<input type="radio"/> Portfolio A	-\$ 5,000	\$ 10,000
<input type="radio"/> Portfolio B	-\$ 8,250	\$ 16,500
<input type="radio"/> Portfolio C	-\$ 11,500	\$ 23,000
<input type="radio"/> Portfolio D	-\$ 14,750	\$ 29,500
<input type="radio"/> Portfolio E	-\$ 18,000	\$ 36,000
<input type="radio"/> Portfolio F	-\$ 21,250	\$ 42,500
<input type="radio"/> Portfolio G	-\$ 24,000	\$ 49,000

Profile Sections

Risk Assessment

2. Inflation (rising prices for goods and services) can have a significant effect on your investments by decreasing their potential purchasing power over time. Aggressive investments have historically outpaced inflation over the long run, but have had more instances of short-term losses than more conservative investments. How do you feel about inflation and its potential impact on your investments?

- You are satisfied with your investments keeping pace with inflation. Limiting the potential for short-term loss is your main goal, and you are willing to sacrifice the potential for higher returns.
- You would like your investments to outpace inflation. You are willing to assume some potential for short-term loss in order to pursue that goal.
- You prefer that your investments significantly outperform inflation. You are willing to assume a greater potential for short-term loss in order to pursue that goal.

Set Growth Target

Sample Asset Analysis Proposal

Set Growth Target

Target Date

Specify a Time Horizon Years:

Growth Target

Specify a Target Value Total:

Specify a Growth Rate Rate:

Use Risk-Appropriate Growth Rate

Cash Flow

Monthly Contributions Total:

Monthly Distributions Total:

Delete Save

View a breakdown of fees by program and make adjustments to the advisor fee as needed.

Account Setup
Fees

✕ 🏠 ⓘ ⚠
PMC Strategic ETF Solution - Moderate | \$ 900,000 ⓘ

Overview

Total Investment	\$ 900,000
Investable Total	\$ 900,000
Rep Code	—

Please review and confirm that you agree to the fee schedules stated below.

Accept

Computed Fees ¹	Percentage	Fee
Client Fee	1.32 %	\$ 11,855
Advisor Fee	1.00	9,000

▼ Advisor Fee ⓘ	
▼ Default	
All Assets	1.00 %
▼ Custody Fee	
▼ Default	
All Assets	\$ 150.00
▼ Platform Fee	
▼ Default	
Up to \$250K	0.35 %
\$250K-500K	0.30
\$500K-1M	0.27
\$1M-2M	0.20
Above \$2M	0.15
▼ Manager Fee	
▼ Default	
All Assets	0.00 %
▼ Client Fee	
▼ Default	
Up to \$250K	1.35% + \$150.00
\$250K-500K	1.30% + \$150.00
\$500K-1M	1.27% + \$150.00
\$1M-2M	1.20% + \$150.00
Above \$2M	1.15% + \$150.00

Deliver a clear and comprehensive investment proposal presentation that highlights the strategy tailored to your client's specific investment objectives, risk tolerance and goals.

Asset Allocation ¹

The weighting of the various asset categories in a portfolio can be one of the most important factors in the implementation of any investment strategy.

Spreading risk among asset classes and investment vehicles is a common tactic used to help reduce the overall risk of a portfolio, although a diversified asset allocation does not ensure investment gains or protect against losses.

The proposed target asset allocation includes asset classes represented by other current investments you plan to continue holding.

The asset mixes are based on historical risk characteristics of the benchmark indices for each separate asset class. The asset class/correlations are as of the date listed below and are subject to change at any time.

Target Asset Allocation ¹

Current Allocation

Proposed Allocation

	Current Allocation	Proposed Allocation
Domestic Equity	\$ 700,000 77.8 %	\$ 356,310 39.6 %
• US Equity Large Cap	600,000 66.7	194,850 21.6
• Mid-Cap Core	— 0.0	103,230 11.5
• REITs	100,000 11.1	— 0.0
• Small-Cap Domestic	— 0.0	58,230 6.5
International Equity	200,000 22.2	172,890 19.2
• Int'l Developed Mkts	200,000 22.2	136,710 15.2
• Int'l Emerging Mkts	— 0.0	36,180 4.0
Fixed Income	— 0.0	370,800 41.2
• Intermediate Bond	— 0.0	239,040 26.6
• Short Bond	— 0.0	61,740 6.9
• International Bond	— 0.0	52,020 5.8
• Cash	— 0.0	18,000 2.0
Total	\$ 900,000 100.0	\$ 900,000 100.0

Performance Analysis

The Drawdown analysis helps to evaluate the investment's financial risks by looking at periods of retrenchment and recovery. The analysis will have information on depth, length, recovery, peak date and valley date. Here the portfolios under comparison are analyzed over a period of n years (trailing) for each time these portfolios were in loss.

Benchmark indices reflect the reinvestment of dividends and income and not deductions for fees, expenses or taxes. Indices are unmanaged and not available for direct investment. ⁵

The performance quoted represents past performance. Past performance is not indicative of future results.

⁶Benchmark Blend indicates a blend composed of 49% Russell 3000, 40% Barclays Capital Intermediate U.S. Government/Credit Index, 1% MSCI EAFE.

Index data is being blended with actual performance data. See page 9.

proposal title:
TheTrust Family Accounts

prepared by:
Michael ENVZ
Demo/Training

prepared for:
The Trust Family
July 21, 2015

Monte Carlo Simulation ²

	Year 5	Year 10	Year 15	Year 25
Proposed	862,457	939,633	1,028,800	1,330,801
Current	801,385	877,388	970,545	1,246,152
70	1,012,775	1,174,638	1,365,947	1,877,883
	1,026,546	1,187,434	1,429,584	2,050,437
50	1,121,845	1,352,841	1,631,822	2,330,910
	1,172,070	1,498,896	1,877,932	2,869,865
30	1,236,329	1,559,341	1,940,347	2,910,541
	1,360,062	1,910,160	2,487,121	4,033,158

The projected investment value will fall somewhere below (perhaps significantly below) the target wealth at the target investment period.

Past performance is not indicative of future results. The value of an investment will fluctuate over time and may be worth less than its original cost. Since past performance and market conditions may not be repeated in the future, investment goals may not be fulfilled by following the advice that is based on the projections of the Monte Carlo Simulation. Please see additional information on simulations in the Notes section. ²

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Drawdown Analysis

Recovery (months)	Peak	Valley
36	Sep 2007	Mar 2009
3	Mar 2012	Jun 2012
21	Sep 2007	Mar 2009
6	Jun 2011	Sep 2011
21	Sep 2007	Mar 2009
6	Jun 2011	Sep 2011

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Disclosure

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