



# Profiles Professional Version 8.0 Update

## Overview

### Introduction

EISI is pleased to provide this overview of the Profiles Professional version 8.0 (v8.0) update, which is scheduled for November 2007. This update is a maintenance release for v8.0 that includes the following:

- Customer-driven enhancements and resolved user-reported issues based on v8.0 feedback
- Client Report updates in preparation for NASD review submission

This document offers a high-level summary of the customer-driven enhancements, resolved issues, and changes made in preparation for the NASD review submission. Detailed information will be available in the Release Notes that accompany the software upgrade once released.



## Modifications to Retirement Timeline Reports

The v8.0 update includes new and enhanced retirement timelines.

- **Retirement Income Sources Timeline** has been modified to display the breakdown of income separately for Client A and Client B in non-single cases. This report shows the sources of income available during retirement by type and by recipient.
- **Income Applied to Retirement Objective Timeline** has been modified and renamed from its previous title, *Income Sources Applied to Retirement Objective*. This report has been updated to display any *Unmet Needs* (shortage) in red text. This report shows the clients' income sources applied to the retirement need year by year.
- **Retirement Analysis Results Timeline** has been modified to display any *Unmet Needs* (shortage) in red text. This report continues to show whether the clients' retirement objective is met year by year, using both applied income sources and assets.
- **Retirement Capital Results Timeline** is a new report that tracks clients' retirement portfolio contributions, withdrawals, growth, and balance beginning at the clients' current ages and continuing until the end of the analysis. This report also tracks the value of future net asset sales and the total capital balance year by year.
- **Retirement Capital Balances Timeline** has been renamed from its previous title, *Retirement Capital Results Timeline*. This report tracks, over time, only those assets (accounts) that are available for the retirement analysis. This report also tracks the value of future net asset sales and the total capital balance year by year.
- **Retirement Summary Timeline** is a new report that tracks both the *Retirement Analysis Results* and the *Retirement Capital Results* side by side beginning at the clients' current ages and continuing until the end of the analysis.



## Modifications to Asset Allocation Reports

The v8.0 update includes new and enhanced asset allocation report options that allow advisors to tailor their presentations to meet the needs of each client based on their level of sophistication. This makes the software easier to use and increases advisor productivity.

- **Current Asset Allocation by Asset Class** is a new report that provides an alternative version of the *Current Asset Allocation* report included in v8.0. This new report includes a colorful 12-slice pie graph.
- **Reallocation of Current Portfolio by Asset Class** is a new report that provides an alternative version of the *Reallocation of Current Portfolio* report included in v8.0. This new report includes a colorful 12-slice pie graph and resembles the *Asset Mix* presentation page previously found in v7.6. It compares the asset category percentages of the current portfolio to those of a suggested portfolio. It shows the percentage of each asset class in each portfolio and states the dollar amounts required to reposition the current portfolio to one that might be more appropriate. This report is only available if a reallocation is made in the current plan year.
- **Current Asset Classification Breakdown** is a new report that resembles the *Asset Classification Breakdown* audit page previously found in v7.6. It shows the asset classification breakdown on a holding-by-holding basis for each account.



## Modifications in Preparation for NASD Submission

EISI has received feedback from FINRA member firms preparing to submit the v8.0 client reports for NASD review. In preparation for these submissions, we have included in the v8.0 update suggested changes based on this feedback. These changes were made to help facilitate the process for those firms and ensure a better overall review by the NASD.

- **Printable Forms** have been modified to include the Ibbotson Benchmark Descriptions. These descriptions are of each index that is used and are meant to assist the advisor in determining whether to use Ibbotson's expected return for each asset class, or an alternative rate. The printable forms affected by this change include the *Express*, *Comprehensive* and *Detailed Cash Flow* Fact Finders in addition to the *Personal Client Data* form.
- **Variable Life Insurance** report has been modified to combine the *Variable Life Insurance* (text page) and the *Variable Life Insurance – How it Works* (concept page). This report describes variable life insurance and some general recommendations for its use.
- **Term Life Insurance** report has been modified to combine the *Term Life Insurance* (text page) and the *Term Life Insurance – How it Works* (concept page). This report describes term life insurance and some general recommendations for its use.
- **Universal Life Insurance** report has been modified to combine the *Universal Life Insurance* (text page) and the *Universal Life Insurance – How it Works* (concept page). This report describes universal life insurance and some general recommendations for its use.
- **Whole Life Insurance** report has been modified to combine the *Whole Life Insurance* (text page) and the *Whole Life Insurance – How it Works* (concept page). This report describes whole life insurance and some general recommendations for its use.
- **Blended Life Insurance** report has been modified to combine the *Blended Life Insurance* (text page) and the *Blended Life Insurance – How it Works* (concept page). This report describes blended whole life insurance and some general recommendations for its use.



## Additional Modifications and Enhancements

Based on user feedback regarding v8.0 and the numerous modifications outlined above, additional minor modifications to the following Profiles Professional reports have been implemented.

- **Disclaimer - Important Note** report has been modified. Additionally, a second version of the report that was previously included due to the SEC rule 202 has been removed since the ruling has been overturned. The remaining version of the disclaimer now includes a description of the scope and basis of the financial analysis.
- **Analysis Summary and Income Tax** reports have been modified to include a footnote which states: *This is not meant to be a complete analysis of your tax situation. It is only an estimate. For more information see a tax professional.*
- **Alternative Minimum Tax** report has been modified to include a footnote which states: *This is a summary only and is not intended to be a full analysis of your tax situation under current AMT rules. For more information see a tax professional.*
- **Cash Flow (audit page)** report has been modified to exclude the *Interest & Dividends* component when in *Detailed Cash Flow* mode. This report helps to determine, with your clients, the best method of finding the dollars to apply to future goals.
- **Income Applied to Retirement Objective** report has been modified and was previously titled *Income Sources Applied to Retirement Objective*. This report is a core presentation page for the retirement analysis and graphically displays the clients' current retirement plan including any deficit. It displays the annual income desired, starting at the retirement age of the first to retire and ending at the second death. Each bar of the graph is color coded to show how much of the clients' needs are met by different sources of income.
- **Retirement Capital Results** report has been modified to support additional calculations brought on by the new *Retirement Capital Results Timeline*. This report is a core presentation page for the retirement analysis that graphically displays the clients' assets at work over time including inflows, outflows, and growth. It shows the average expected portfolio return, total retirement capital today, total capital available at retirement, and capital remaining at the end of the plan.
- **Retirement Capital Available Details** report has been modified to support an additional column to track the current market value for each account. This audit report shows the value at retirement of the clients' accumulated assets.
- **Monte Carlo Analysis** presentation report has been renamed on the Client Presentation – Reports selection screen. It was previously titled Monte Carlo Forecasted Results – Current.
- **Monte Carlo Analysis Timeline** audit report has been renamed on the Client Presentation – Reports selection screen. It was previously titled Monte Carlo Forecasted Results – Current.
- **Survivor Appendix Timelines** have been modified to remove the words Calculation Frequency – Annual and replaced with: For Audit Purposes – Not for Client Use.



## Resolved Issues

The following issues have been resolved in this update.

- **Classify Holding Search** issue has been resolved to allow users to search the Ibbotson security classification database either by means of a wildcard (\*) or an exact match search.
- **Classify Holding without Ticker** issue, where holdings without a ticker symbol were being classified, has been resolved.
- **Portfolio Rate of Return** calculation issue has been resolved in the *Retirement Capital Results* presentation report so that the *Average Expected Portfolio Return* no longer shows 0% when it should not.
- **User Designations** issue has been resolved to ensure user-selected designations are permanently saved.
- **Data Loss** issue has been resolved. This was difficult to reproduce but a user could potentially lose data on fields where they overrode the calculated default.
- **Forefield Link** has been updated.
- **Forefield Content** issue has been resolved. The report titled *529 vs. Coverdell Education Savings Accounts* now includes a minor footnote update.
- **Save More Earn More** issue, where *Save More Earn More - Additional Monthly Savings* would not change when set to *Level* or *Inflating*, has been resolved.
- **Save More Earn More** report issue has been resolved. This was difficult to reproduce but a user could potentially see dramatically different results with just slight adjustments to the dollar value of an asset that was marked as unavailable for retirement.
- **Asset Savings** calculation issue has been resolved. This issue occurred only when an entire allocation group had a \$0 initial balance (i.e., every asset in the entire group had a \$0 value). Subsequently, if the asset was designated to receive savings or receive any other cash flows (i.e., a lump-sum asset), the asset would lose all those savings every year.
- **Asset Distribution Form** issue has been resolved, where assets reserved for an education goal were not being set on the *Asset Distribution* screen correctly.
- **No Tax Deduction for SEP or Keogh Plans** issue has been resolved so that the *Income Tax Analysis* report now shows the deduction if the planner changes the input from an “employer” contribution to an “employee” contribution.
- **Survivor Needs Capital Available** issue has been resolved. Assets to be sold section labels were not lined up with the proper *Net Proceeds* amounts or year to be sold.
- **Survivor Needs Timelines** issue has been resolved. The *Survivor Needs Detailed Timeline* included disability insurance premiums for a deceased person even though that individual was assumed to have passed away.
- **Long-Term Care Analysis** calculation issue has been resolved. The issue occurred in the long-term care analysis where the *Spend Surplus Income* check box wasn’t being applied to the analysis.



## Resolved Issues (cont'd)

- **Printable Forms Receipt for Documents** issue has been resolved. This form can now be printed.
- **Help File** issues have been resolved. The Help files were affected by missing data and incorrect indexing.
- **Planning Preferences Warning Message** issue has been resolved and the warning message stating that a difference in planning preferences exists will no longer appear once the case has been saved.
- **Expiration Message** now includes our updated support telephone number.

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