CSU Dominguez Hills - Allocation Analysis Zephyr AllocationADVISOR: Morgan Stanley Smith Barney

Analysis Inputs
Case: Allocation Case

Analysis Inputs

	Forecast Return	Forecast Risk
Assets		
Domestic Equity	6.2%	15.5%
International Equity	6.6%	16.7%
Emerging Markets	13.2%	23.9%
Low Vol. HF	3.1%	5.6%
Med. Vol. HF	6.5%	8.9%
US REITs	6.2%	14.4%
Private Equity	9.7%	16.4%
U.S. Fixed Income	2.7%	3.8%
Int'l Fixed Income	2.0%	4.5%
Cash	1.0%	0.9%

Correlations

	1	2	3	4	5	6	7	8	9	10
1. Domestic Equity	1.00									
2. International Equity	0.65	1.00								
3. Emerging Markets	0.63	0.62	1.00							
4. Low Vol. HF	0.45	0.38	0.50	1.00						
5. Med. Vol. HF	0.43	0.39	0.61	0.82	1.00					
6. US REITs	0.38	0.38	0.33	0.23	0.20	1.00				
7. Private Equity	0.84	0.68	0.60	0.48	0.53	0.42	1.00			
8. U.S. Fixed Income	0.15	0.07	-0.06	0.14	0.07	0.15	-0.10	1.00		
9. Int'l Fixed Income	-0.02	0.02	-0.22	-0.15	-0.21	0.14	-0.10	0.62	1.00	
10. Cash	0.06	-0.21	-0.23	0.23	0.10	-0.16	0.05	0.22	0.10	1.00

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Portfolio Statistics

Case: Allocation Case   7 Year Time Horizon - 95% of Projected Return Distribution

Portfolio Allocations

	Current	50/50	60/40	70/30	80/20
Asset Allocations					
Domestic Equity	54.0%	22.0%	24.0%	29.0%	32.0%
International Equity	4.0%	10.0%	12.0%	15.0%	16.0%
Emerging Markets	0.0%	8.0%	9.0%	11.0%	12.0%
Low Vol. HF	0.0%	7.5%	10.0%	7.5%	10.0%
Med. Vol. HF	0.0%	7.5%	10.0%	10.0%	10.0%
US REITs	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity	0.0%	5.0%	5.0%	7.5%	10.0%
U.S. Fixed Income	39.0%	20.0%	15.0%	10.0%	5.0%
Int'l Fixed Income	0.0%	20.0%	15.0%	10.0%	5.0%
Cash	3.0%	0.0%	0.0%	0.0%	0.0%
Group Allocations					
Domestic Equities	54.0%	22.0%	24.0%	29.0%	32.0%
Intl Equities	4.0%	18.0%	21.0%	26.0%	28.0%
Alternative Investments	0.0%	20.0%	25.0%	25.0%	30.0%
Fixed Income	39.0%	40.0%	30.0%	20.0%	10.0%
Other	3.0%	0.0%	0.0%	0.0%	0.0%

Portfolio Statistics

	Current	50/50	60/40	70/30	80/20
Expected Return (Annualized)					
One Year	4.7%	5.2%	5.6%	6.3%	6.8%
Time Horizon	4.4%	5.0%	5.3%	5.9%	6.3%
Expected Risk					
One Year	9.2%	7.6%	8.5%	10.2%	11.4%
Time Horizon	3.4%	2.9%	3.2%	3.8%	4.3%
Best Case Return (Annualized)					
One Year	23.8%	20.8%	23.2%	27.8%	30.9%
Time Horizon	11.3%	10.7%	11.7%	13.6%	14.9%
Worst Case Return (Annualized)					
One Year	-12.1%	-8.8%	-10.0%	-12.3%	-13.9%
Time Horizon	-2.2%	-0.5%	-0.8%	-1.4%	-1.9%