



# WATS

## The WATS Way

WATS uses historical data to run rolling period simulations of investment scenarios and strategies. These simulations are summarized using a variety of performance measures, including worst-case and average-case scenarios, historical success rates, cumulative premiums, efficient frontiers and efficiency ratings.

Suppose you are retired and you want to see how you can best withdraw from your retirement savings. You must make several decisions:

- How will you allocate your investments?
- How much money will you withdraw the first year?
- What strategy will you use for withdrawing money in subsequent years?

WATS uses history to test strategies. If, for example, you run a 20-year analysis you will find how each strategy fares in its worst 20-year period. You also get average, median, and best-case values as well as ranges of probability going forward (using average and standard deviations.)

### WATS Features

WATS has been in development for five years and is feature-rich. Key features are:

- Runs historical simulations just as if you had lived through every historical period
- Includes Ibbotson data and can run with any index or return data
- Monthly, quarterly or annual analysis
- Return Calculations over any interval with any mix of assets
- Accumulation and Withdrawal Analysis, plus a way to analyze simultaneous flows in and out of an account
- Return Premium Calculations over inflation or any other proxy
- Standard deviation analysis for predicting ranges of future outcomes
- Compare actual historical performance with straight-line analysis—see why straight-line analysis is flawed
- Statistics: Worst-case, Average-case, Median-case, Best-case, Standard Deviation, Correlations, R-Squares, Covariances, Rolling Period Returns, Historical Success Rates
- Graphs: Return Distributions, Rolling Period Returns, Risk vs. Return, Growth of \$100, Cumulative Premiums, Efficient Frontiers
- Efficient Frontier Surfing using Moving Pictures of Historical Efficiency
- Black Box to calculate historically optimal withdrawal strategies
- Portfolio Stressor to test particular withdrawal strategies

## WATS Benefits

WATS takes investment research and analysis to a new level. Some of its key benefits are:

- Make informed choices knowing your recommendations are based on actual market history, including all the volatility and strangeness that exists in the real world
- Go forward with confidence in your plan, knowing that your investment strategy holds up when scrutinized by history
- Results are based on history, not complex mathematical models, making it easier for you to explain to your clients and easier for them to understand your recommendations

"We study history not to be clever in another time, but to be wise always."  
*Dr. Laurence J. Peter*

## Black Box

WATS includes a new portfolio optimization technique called simulated annealing that allows it to find portfolios that best satisfy specific withdrawal requirements. This new, powerful program is called Black Box.

Black Box takes inputs of investment horizon, funding requirements, historical success rate, and ending value goal; and provides output of the maximum sustainable withdrawal rate and portfolios capable of achieving that rate.

As an example, consider a 30-year horizon in which the retiree wants to withdraw from the portfolio each year such that his buying power is maintained. He wants a high comfort factor that he will not go broke before the 30 years are up. Running Large Cap Stocks, Corporate Bonds and

*"Let me tell you, this software works. It's one of the most exciting tools to come across my desk in years."*

Scott Burns, syndicated columnist for the Dallas Morning News

T-Bills at a 100% historical success rate, using Ibbotson data from 1946 to 2000, Black Box tells us the retiree can sustain an initial withdrawal rate of 3.99% (subsequent withdrawals adjusted by prior year inflation rates) with a portfolio of 62% Large Cap Stocks and 38% Corporate Bonds.

### Pricing, Demo and Customer Satisfaction

There are two versions of WATS, the Advisor Edition for \$199 and the Personal Edition for \$49.95. The Personal Edition uses the same simulation engine as the Advisor Edition but does not have 1) Morningstar import, 2) Black Box, 3) IRR Calculator or 4) Efficient Frontier Modeling.

Certain affiliates save 10% or more off the regular price of \$199. Call toll-free 1-888-863-0221 or email [info@zunna.com](mailto:info@zunna.com) to see if you qualify for special pricing.

To run an on-line demo of WATS using your web browser, please visit our website at [www.zunna.com](http://www.zunna.com). For more information call toll-free 1-888-863-0221 or email [info@zunna.com](mailto:info@zunna.com).

Our goal is total customer satisfaction. All of our products have a 30-day money back guarantee. We invite you to try our products risk-free. If you are unhappy for any reason we will refund the full purchase price.