



Voyant Research Process Summary

Background

RSMR have been given the role of supporting the Voyant cash flow software by providing them with data that can be used in the system to calculate the relevant planning output for users. The key data required is growth rates for different asset classes and their associated volatility levels, and the correlation between the asset classes.

Process

The process is to use a combination of quantitative and qualitative information to establish the data for use in the system.

Quantitative Data

- The core information for assessment is taken from our data analysis system with each asset class back tested using separate time samples, including discrete rolling and cumulative data.
- This is then cross checked through a secondary system (Bloomberg).
- The data reviewed is a combination of indices which represent each asset class that is being reviewed, which allows us to ensure that any one index is not biased to any specific factor.
- The data is combined to form an initial output which we then use as the basis of the qualitative review.
- The correlation table is derived from a programme delivered by our data analysis tool which calculates the relationships between each asset class. Various correlation periods are looked over both the long and short term.

Qualitative Data

- Long term data surveys are used to cross check the output such as the Barclays Equity and Gilt Study which has bond and equity data going back to 1899 and the Credit Suisse Year Book. This can be overlaid onto the quantitative data to ensure we are not biased to any short-term factors in the output such as the Global Financial Crisis in 2008.
- We also compare the output to the data we receive from other financial planning tools (such as e-value and Distribution Technology) so that we can ensure it is consistent with industry views.

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