

# How To Read Your Monthly Performance Report

**WHAT IS THIS AND WHERE DID IT COME FROM?** You have engaged the services of Nelson Portfolio Management Corp. (NPMC) to provide to you discretionary portfolio management services (ie: to manage your investment portfolio on your behalf). To keep you up to date, we will provide to you a series of reports every 3 months, for the periods ending March, June, September and December. This report is produced by NPMC from a software program called Croesus (For more information: <https://www.croesus.com>). This is a software program that NPMC pays for so as to provide to you these reports.

**THIS IS A CONSOLIDATED STATEMENT REPRESENTING THE ACTIVITY OF ALL OF YOUR ACCOUNTS COMBINED:** This report combines all of your different investment accounts into one consolidated report. This same report can be run for each of your individual accounts should you wish for us to do so. Therefore, when looking at the various deposits and withdrawals, for example, these figures represent all of the combined deposits and withdrawals for all of your NPMC accounts for the specific month or annual period illustrated.

**THE TOP SECTION<sup>1</sup>:** The top section of this report shows your starting value, deposits, withdrawals, fees and your ending value for each month over the past year. The cumulative column shows your net invested value over the past 12 months: deposits – withdrawals – fees.

In this top section on the right hand side, there are two rate of return columns. The first is the Net Performance Percent Return after fees and the second is the Gross Performance Return before fees.

**THE MIDDLE SECTION<sup>2</sup>:** In the middle of the report is the Portfolio Performance summary section. This is a summary of the past year and a summary of the columns of information above. It shows the i) initial value as of the beginning of the report, ii) the cumulative result of your deposits, withdrawals and fees, and iii) your current portfolio value as of the date of the report. The reporting period is shown just under the report title, centred in the middle of the page.

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<sup>1</sup> See item #1 on the Monthly Performance Report.

<sup>2</sup> See item #2 on the Monthly Performance Report.

**THE BOTTOM SECTION<sup>3</sup>:** In the bottom section of the report you will see your historical returns, both before and after fees have been drawn. The before fee return is the Gross Performance Percent while the after-fee return is the Net Performance Percent. **NOTE: for any period greater than 12 months, the return is an annualized, compounded return.** More specifically, the Since Inception rate of return is an annualized, compounded return if your inception date is greater than 1 year.

**HOW TO READ YOUR STATEMENT:** There are several things you may wish to do to fully read this report:

- **What has been my portfolio return so far this calendar year?** Go to the bottom section of the report and view the Year To Date<sup>4</sup> return column on the right hand side.
- **What has been my portfolio return over the past 12 months?** Go to the bottom section of the report and view the rate of return figure shown under the 1 Year<sup>5</sup> column, found close to the middle of the page. This will show your rate of return over the past 12 months, both before and after fees have been drawn from your account.
- **What has been my portfolio return since we started working together?** Go to the bottom section of the report and view the Since Inception<sup>6</sup> column on the right hand side of the page. This is an annualized, compounded return since inception. This report does not indicate the inception date.
- **Over the past 12 months, when did we make money and when did we lose money?** Go to the top section of the report and you will see, on the right hand side the performance returns<sup>7</sup> on a month by month basis. To put these returns into context, it will be important to look at the rate of return in the stock market for that same month. When reviewing your report, it is helpful to see when you made money over the past year and when you did not.
- **What was my starting and ending value over this past year?** To answer this question, look at the Initial Value<sup>8</sup> in the first row of the top section and compare this to the Ending Value<sup>9</sup> on the last row of the top section. In the sample report you will see that the beginning and ending value is very similar, yet the rate of return for the past 12 months to be +5.47%. How could this be? This is because of the withdrawals that were made during this period. The cumulative withdrawals were \$49,778. This means that

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<sup>3</sup> See item #3 on the Monthly Performance Report.

<sup>4</sup> See item 4 on the Monthly Performance Report.

<sup>5</sup> See item 5 on the Monthly Performance Report.

<sup>6</sup> See item 6 on the Monthly Performance Report.

<sup>7</sup> See item 7 on the Monthly Performance Report.

<sup>8</sup> See item 8 on the Monthly Performance Report.

<sup>9</sup> See item 9 on the Monthly Performance Report.

the portfolio generated a 5.47% positive return to earn back enough capital over the year so that the ending value equaled the beginning value.

- **What money was deposited or withdrawn during the year (not including fee withdrawals)?** This report shows on a month by month basis the total deposits and withdrawals for all of your accounts. This is shown in the Assets In / Out column<sup>10</sup>. When reviewing this column, ask yourself if these figures make sense to you in terms of the deposits or withdrawals you recall making over this past year. If not, it will then be necessary to review past statements and / or view the Transactions Report to see a detailed breakdown of these deposits and withdrawals.
- **What fees did I pay to the portfolio manager of this past year?** This report shows the portfolio management fees<sup>11</sup>, as well as other administrative fees charged by the custodian (NBCN), that were directly withdrawn from your portfolio over this past year, on a month by month basis. If you have any questions about these figures, please be in touch with your contact at Nelson Portfolio Management Corp. right away.

**SUMMARY:** To put any rate of return figure into context, we believe it is i) really important to measure returns over multiple time periods and ii) measure returns over time against multiple benchmarks. When evaluating your reports over time, it is important that we review your portfolio results during a face to face meeting so that your returns can be put into the context of your specific situation.

Our contact information can be found at: [www.nelsonfinancial.ca](http://www.nelsonfinancial.ca)  
You can reach us by phone at 204-956-0519.

**ADDITIONAL DISCLOSURE<sup>12</sup>:** At the bottom of this report, additional disclosures have been provided.

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<sup>10</sup> See item 10 on the Monthly Performance Report.

<sup>11</sup> See item 11 on the Monthly Performance Report.

<sup>12</sup> See item 12 on the Monthly Performance Report.

## MONTHLY PERFORMANCE (CAD)

Period from July 1, 2014 to June 30, 2015

SAMPLE CLIENT

Nelson Portfolio Management

### 1. TOP SECTION

MM/YYYY	Initial Value	Assets In/Out	Mgmt Fee	Cumulative	Ending Value	Net Perf. (%)	Gross Perf. (%)
Jul 2014	8. 786,271	10. -4,649	11. -67	-4,716	784,688	7. 0.39	0.40
Aug 2014	784,688	-4,649	-67	-9,431	787,278	0.93	0.94
Sep 2014	787,278	-4,649	-67	-14,147	778,647	(0.51)	(0.50)
Oct 2014	778,647	-4,649	-67	-18,862	772,829	(0.15)	(0.14)
Nov 2014	772,829	-4,649	-67	-23,578	786,939	2.44	2.45
Dec 2014	786,939	-4,649	-67	-28,293	785,443	0.40	0.41
Jan 2015	785,443	-4,814	-3,267	-36,374	796,174	1.99	2.42
Feb 2015	796,174	6,186	-67	-30,255	814,623	1.55	1.56
Mar 2015	814,623	-4,814	-67	-35,135	809,299	(0.06)	(0.05)
Apr 2015	809,299	-4,814	-67	-40,016	803,869	(0.08)	(0.07)
May 2015	803,869	-4,814	-67	-44,897	792,653	(0.80)	(0.79)
Jun 2015	792,653	-4,814	-67	-49,778	9. 782,312	(0.70)	(0.69)

### 2. MIDDLE SECTION

Portfolio Performance											
	Initial Value		Net Flows		Present Value						
	\$ 786,271		\$ -49,778		\$ 782,312						
	3 Months	6 Months	9 Months	5. 1 Year	3 Years	5 Years	7 Years	10 Years	6. Since Inception	4. Year to Date	Period
Net Perf. (%)	(1.57)	1.88	4.63	5.47					8.73	1.88	5.47
Gross Perf. (%)	(1.55)	2.35	5.14	6.02					9.28	2.35	6.02

### 3. BOTTOM SECTION

Notes: Values in percentage are annualized for periods of more than twelve months.