Why Does the Benchmark Performance on Albridge Vary From Industry-Reported Returns?

**Cash-flow Adjusted Benchmark**

Albridge usually cash-flow-adjusts benchmarks used in benchmark Rate of Return (ROR) Calculations.

Cash-flow-adjusted benchmarks only apply to money-weighted returns; they will not affect time-weighted returns. Essentially, more benchmark units are purchased when money flows into the portfolio. Benchmark units are sold when money flows out of the portfolio. This makes the benchmark return show what was achievable in that benchmark, based on how much money was invested.

Cash-flow-adjusted benchmarks will likely show a different value from the published return of the same benchmark. If there are not cash flows, the cash-flow-adjusted benchmark return will be the same as the published return.