

Rate of Return FAQ

1. Where does Albridge get its beginning and ending value?

For the beginning value, Albridge uses the value at the end of the day before the start date. The ending value is the end of the last day of the reporting period.

As an example: performance for 2016 would use a beginning value as the value at the end of 12/31/2015, and the ending value is the value at the end of 12/31/2016.

2. Why does every asset class have a positive return, but the portfolio shows a negative return?

Fees are usually paid out of cash. For that reason, we usually do not calculate returns on cash. The cash return is not shown, but will pull the overall return down.

3. How can cash have a negative rate of return?

Because fees are paid out of cash, they will lower the cash rate of return. And because cash has such a low return to begin with, the cash return can easily be pulled to a negative number. Other assets in the cash asset class may allow performance to show for the cash asset class even if it is not shown for the "cash" itself.

4. Why is the portfolio return higher or lower than any of the accounts in the portfolio?

There may be another account in the portfolio that was not held at either the beginning or end of the reporting period. Those returns would be not available, causing the account to drop from the report. This account was not shown individually, but it is included in the overall return.

5. Why does the return of the fund differ from what I see on the fund company statement or the published return on that fund?

The published return on the fund is likely the change in price. Albridge calculates the return based on each client's individual investment in that fund, as well as the timing of and value of the investment.

The Albridge return may have management fees deducted.

The fund may not have been held for the full year.

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