



VMAPS

REPORTING - PERFORMANCE REPORTS

2020

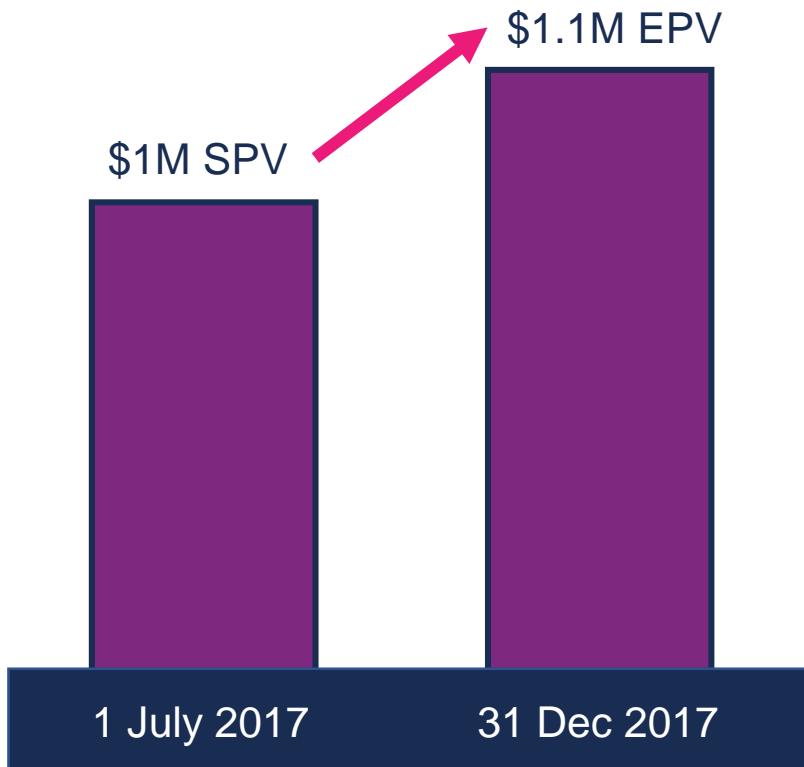
VENTURA-M

— Performance Reports

- ✓ Back to basics
- ✓ How do we calculate performance?
- ✓ Which performance method to use?
- ✓ Performance report options
- ✓ What to look for

BACK TO BASICS**10%**

\$100,000 increase in value
over 6 months



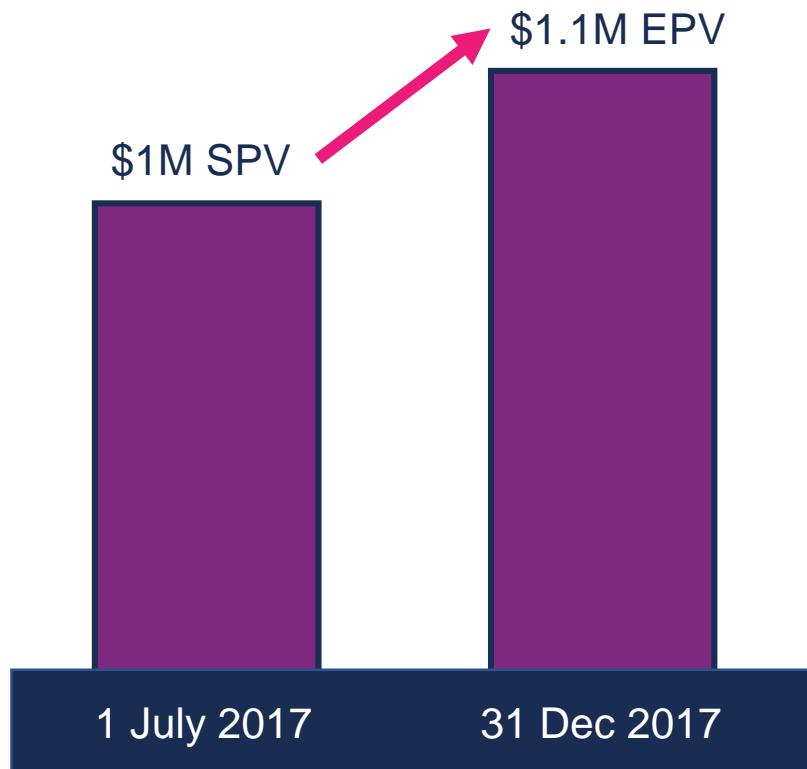
But this isn't the full story

Performance isn't the difference between
the Ending Portfolio Value (EPV) and the
Starting Portfolio Value (SPV)

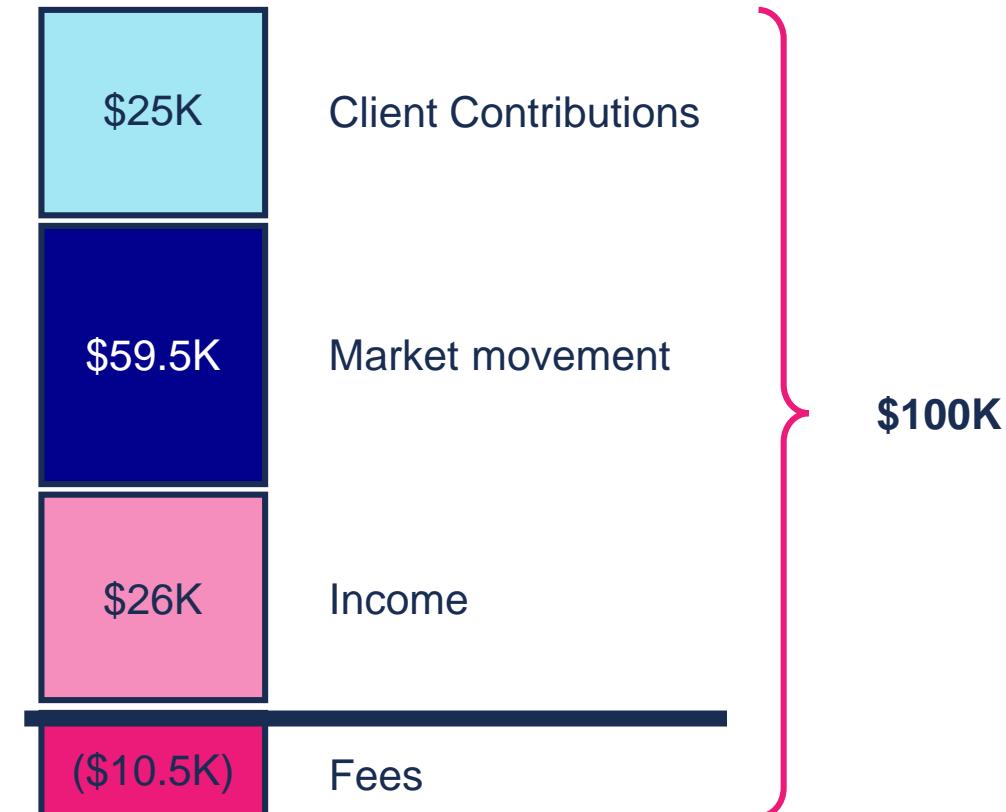
BACK TO BASICS

10%

\$100,000 increase in value
over 6 months



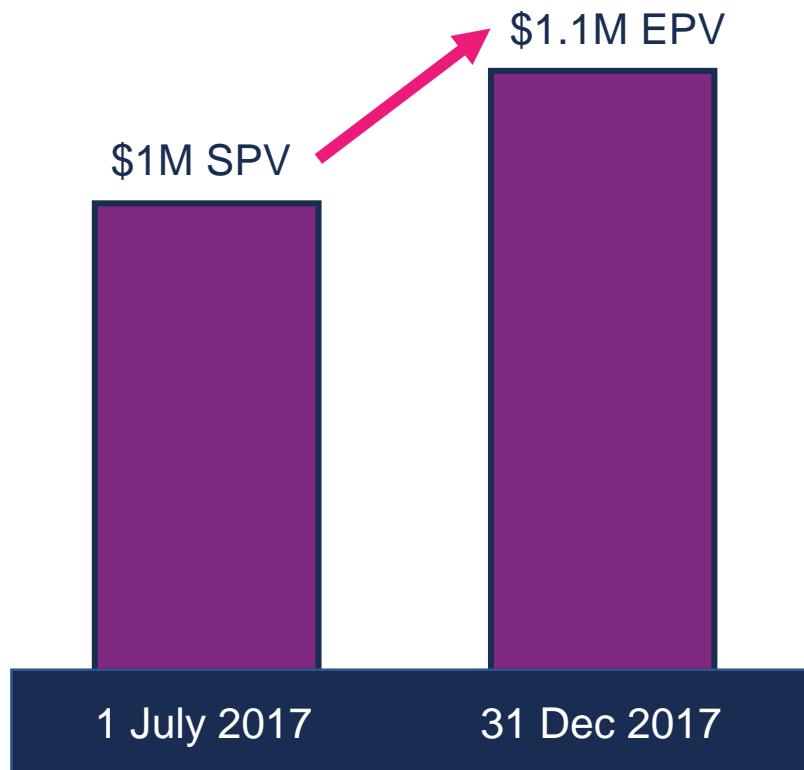
The increase is the movement in value over a 6 month period. Which is different to the portfolio return



BACK TO BASICS – PORTFOLIO RETURN

10%

\$100,000 increase in value
over 6 months



\$25K

Client Contributions

PORTFOLIO RETURN

\$59.5K

Market movement

\$26K

Income

(\$10.5K)

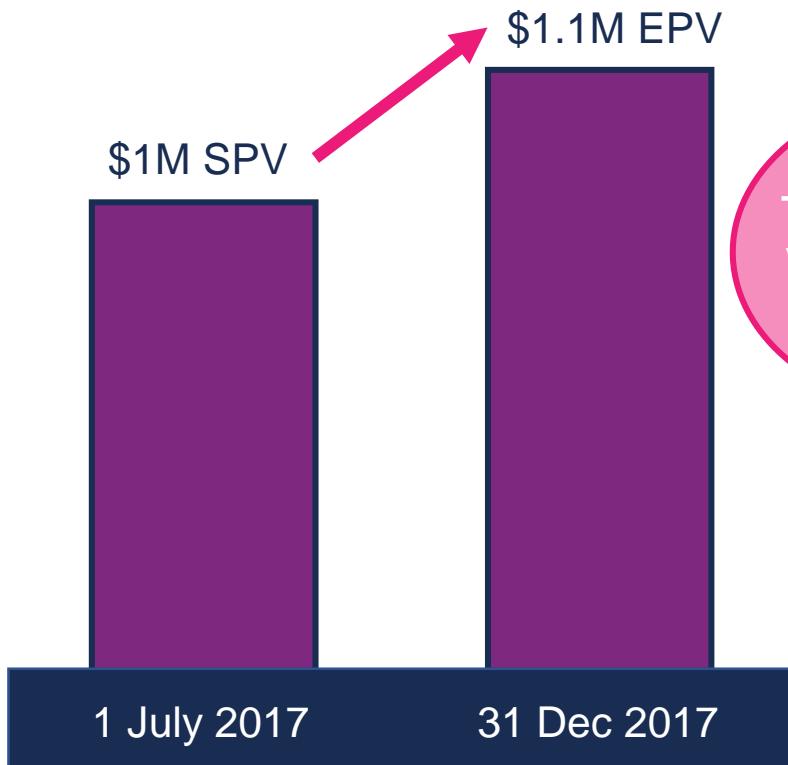
Fees



PERFORMANCE

10%

\$100,000 increase in value
over 6 months



\$25K

Client Contributions (CC)

PORTFOLIO RETURN

End Portfolio Value – Start PV – CC

\$1.1M - \$1.0M - \$25K

Start PV \$1.0M

= 7.5%

After expenses

The ending market value includes the fees charged.

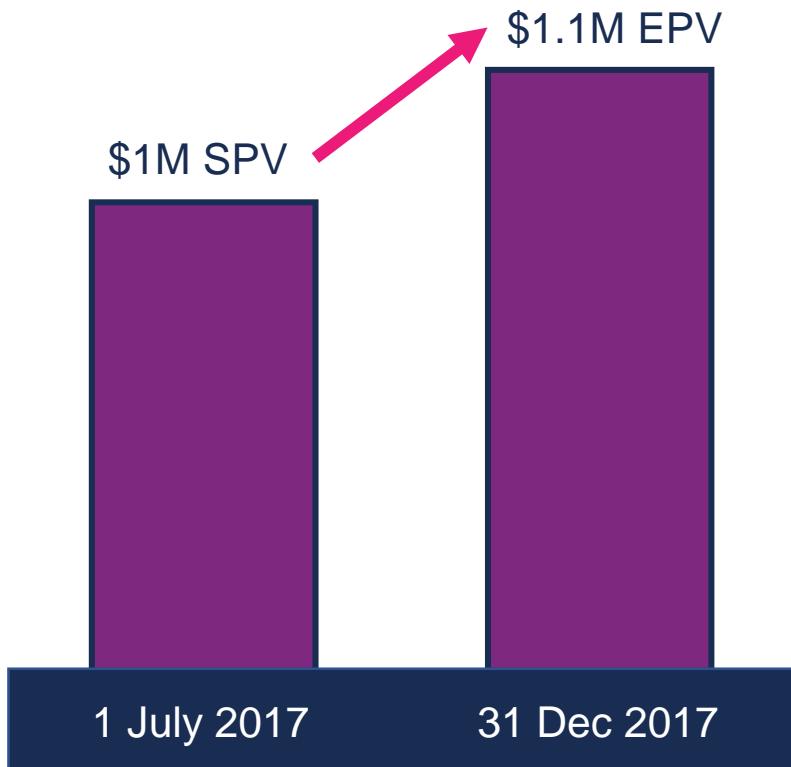
So the percentage return is *after expenses*.



PERFORMANCE

10%

\$100,000 increase in value
over 6 months



\$25K

Client Contributions (CC)

PORTFOLIO RETURN

EPV - SPV - CC + FEES

$\$1.1M - \$1.0M - \$25K + \$10.5K$

SPV \$1.0M

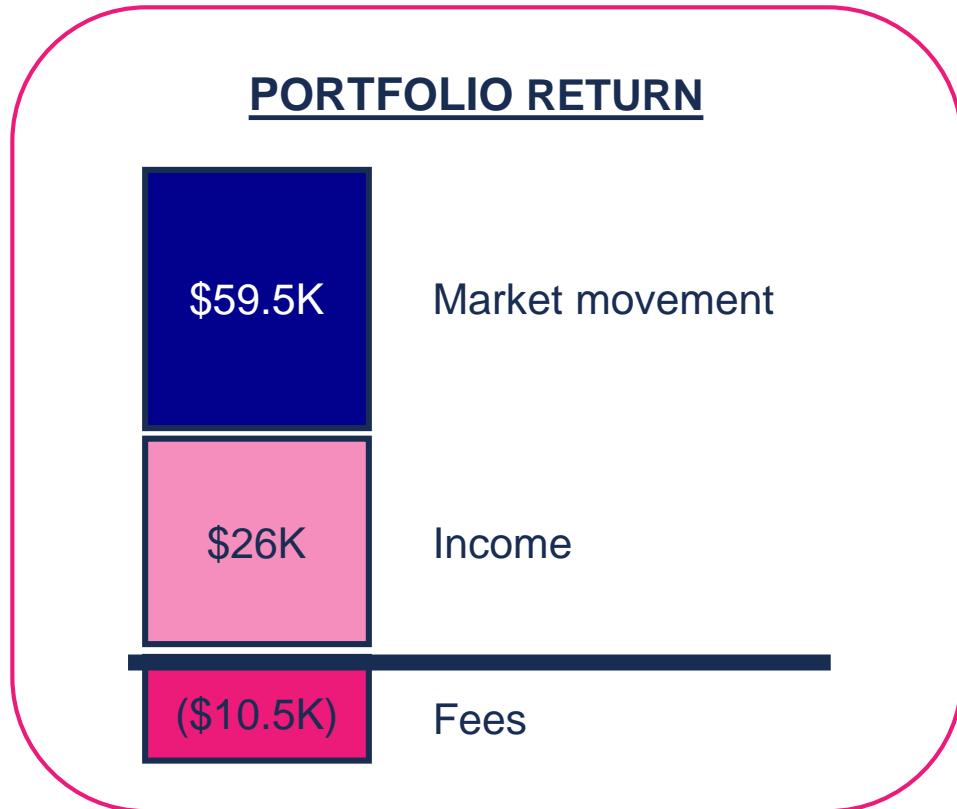
= **8.55%**

Before expenses

We add the amount
of fees back in.

To get the return
before expenses.

PERFORMANCE



Taxes Paid & Franking Credits

- non-resident withholding tax
- Foreign tax paid (\$800)
- Franking credits \$4,300

Franking credits are not part of the portfolio's movement in value.

Taxes paid maybe refundable depending on the circumstances of the investor. So they are included (added back in) to portfolio boost returns.

PERFORMANCE

Portfolio return before expenses

EPV – SPV – CC + FEES + Foreign Tax + Franking Credits

\$1.1M – \$1.0 – \$25K + \$10.5K + \$800 + \$4300

SPV \$1.0M

=9.06%

Before expenses

We add back the taxes paid and franking credits

Pre taxes paid and franking credits

= 8.55%

Before expenses

= 7.5%

After expenses

TIME WEIGHTED RETURN (TWR)

Compound return of our daily return

We take the product of the daily return + 1.

$$\text{TWR \%} = [[(\text{DR 1} + 1 + (\text{DR } 2 + 1) \times \dots (\text{DR } n + 1)] - 1] \times 100$$

The **time-weighted** rate of **return** is a measure of the compound rate of growth in a portfolio. This method eliminates the distorting effects created by the size and timing of inflows and withdrawals. The measure is used to compare the **returns** of investment managers.

The TWR formula requires the return to be calculated for every day in the period. This daily return (DR) is calculated using the same simple formula shown in previous slides.

— RETURN ON AVERAGE VALUE

The performance returns using the **Return on average value** method is calculated by dividing the **total dollar return** by the **average of the portfolio's market value** for each day in the performance period.

The average market value is taken from the portfolio's balance history, a database containing the total market value of the portfolio for each day.

WHICH PERFORMANCE MEASURE TO USE?

Return on Average Value vs Time weighted (cumulative return)

Using either method will generally achieve a similar performance result.

Return on average value smooths out any large market movement or the timing of expenses.

Time Weighted Return is a daily cumulative return. So if you have a large market movement at the beginning of a reporting period it will take time to work its way out of the performance return.

The published VMAPS performance in the model profiles use TWR



PERFORMANCE REPORT OPTIONS

CUSTOM REPORTING OPTIONS AVAILABLE

<input checked="" type="checkbox"/> Portfolio performance		Performance	
Report period	12 months to date	01/02/2017 to 31/01/2018	
Cash	Include	Excluded assets	<input type="checkbox"/> exclude
Franking credits	Include	Foreign tax paid	Include
% Return method	Time Weighted Return	% Return periods	3 mths, 1 yr, 2 yrs, 5 yrs
Display % returns	Before and after exper	Benchmark 1	ABS Australian CPI
Benchmark 1 margin % p.a.	4.5	Benchmark 2	None
		Benchmark 2 margin % p.a.	0
Chart 1	Value v cumulative net	Chart 2	Returns over time
Charts date range	Report period	Price; Qty; Amnt	Default rounding
Percent	Default rounding	Portfolios (if applicable)	Selected portfolio only

Select the reporting period

Return Method:
TWR or Average Value

Include a margin over the benchmark selected

The different return periods

Select an appropriate benchmark
i.e. ABS Australian CPI

PERFORMANCE REPORT

The movement in value of the portfolio over the period selected

We add back the foreign tax paid

We include the franking credits which is not part of the portfolio valuation

Portfolio performance

01 Feb 2017 to 31 Jan 2018

Movement in value

	\$
Starting market value	139,257.11
Net addition	13,915.32
Realised and unrealised gains/losses	15,216.21
Total income net of foreign tax paid	4,215.54
Total expenses	-3,205.77
Ending market value	169,398.41
Movement in value	30,141.30

Portfolio returns

	\$
Realised and unrealised gains/losses	15,216.21
Total income	4,430.69
Franking credits	375.11
Total dollar return before expenses	20,022.01
Total expenses	-3,205.77
Total dollar return after expenses	16,816.24
Periods to 31 Jan 2018	
	3 mths
	1 yr
	2 yrs p.a.
	Since inception p.a.
Portfolio return before expenses (TWR)	3.52%
Portfolio return after expenses (TWR)	3.18%
ABS Australian CPI + 4.5% p.a.	1.12%
	5.77%
	5.82%
	5.91%

The portfolio's inception date for performance calculation purposes is 14 April 2015.
 Portfolio total dollar and percentage returns are inclusive of franking credits. Percentage returns have been calculated using the Time Weighted Return (TWR) method.

Value versus cumulative net investment



Returns over time



The timing of the contributions received from the client

The benchmark with the +4.5% margin applied

WHERE TO FIND THE NUMBERS

From the Cash Book Summary screen

Select cash book **AUDCASH - MAIN CASH ACCOU**

From **1/2/17** Until **31/01/18**

Transaction type **All Transaction types**

Submit All portfolios

Export to Excel

	Transaction Type	Transaction Amount
+	Sundry Deposit	\$30.00
+	Rollover Deposit	\$951.96
+	Superfund Contribution	\$17,132.80
+	Superfund Withdrawal	(\$1,587.44)
+	Interest Receipt	\$176.22
+	Stock Purchase	(\$79,388.78)
+	Stock Sell	\$68,700.51
+	Income	\$4,039.52
+	Advice Fee	(\$1,030.00)
+	Portfolio Fee	(\$2,068.24)
+	GST on Fees	(\$90.00)
+	Tax Payment	(\$2,612.00)

Net addition
Rollover Deposit +
Superfund Contributions
– Superfund Withdrawal
– Tax payment

Total expenses
Advice Fee +
Portfolio Fee +
GST on Fees

Portfolio performance

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Note: Insurance premiums (for on platform insurance) and Superfund Withdrawal (off platform insurance payments) are included in net additions so have no impact on performance.



WHERE TO FIND THE NUMBERS

Investment movements

01 Feb 2017 to 31 Jan 2018

Investments continued

		Investment movements				
Asset		Starting market value \$	Purchases \$	Sales \$	Net adj and other \$	Gain/loss \$
ASX Listed						
WPL	WOODSIDE PETROLEUM LIMITED FPO	-	1,245.86	-	-	78.94
Totals		93,808.13	52,461.56	-43,899.46	-	10,679.01
Managed Funds						
INT0011AU	MORNINGSTAR MULTI ASSET REAL RETURN Z	-	10,961.52	-	-	518.41
INT0016AU	MORNINGSTAR INTERNATIONAL SHARES HDGD Z	20,553.92	1,631.31	-7,848.09	-	2,982.93
INT0017AU	MORNINGSTAR INTERNATIONAL SHARES UNHDG Z	2,394.59	6,259.41	-203.37	-	1,038.95
INT0082AU	MORNINGSTAR INTERNATIONAL BONDS HDGD Z	4,003.90	-	-2,127.91	-	23.48
INT0097AU	MORNINGSTAR DIVERSIFIED ALTERNATIVES Z	6,573.27	264.59	-6,811.29	-	-26.57
Totals		33,525.68	19,116.83	-16,990.66	-	4,537.20
Totals for all assets		127,333.81	71,578.39	-60,890.12	-	15,216.21

Portfolio performance

01 Feb 2017 to 31 Jan 2018

Movement in value

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Realised and unrealised gains/losses
This can be found on the last page of the
Investment movements report in the
Gain/Loss column which can be selected
from the reports menu



WHERE TO FIND THE NUMBERS

Total income net of foreign tax paid

This can be found on the last page of the Income report selected from the reports menu.
Gross Income excluding franking credits less foreign tax

Income

01 Feb 2017 to 31 Jan 2018

Income summary ^(a)

	Interest	Unfranked	Franked	Franking credits	Other Aust	Gross foreign	Trust cap gains	Non-assess	Gross excl franking credits	Aust taxes	Foreign taxes	Expenses withheld	Cash	DRP	To be received
Income transactions															
Dividends	-	252.26	856.16	366.93	-	-	-	-	1,108.43	-	-	-	1,108.43	-	-
Foreign dividends	-	-	-	-	-	1,244.64	-	-	1,244.64	-	186.69	-	1,057.95	-	-
Trust income	188.23	687.67	7.00	8.18	446.65	389.61	154.24	10.47	1,883.87	-	28.46	-	1,761.84	-	93.57
Interest	193.75	-	-	-	-	-	-	-	193.75	-	-	-	193.75	-	-
Totals	381.98	939.93	863.16	375.11	446.65	1,634.25	154.24	10.47	4,430.69	-	215.15	-	4,121.97	-	93.57
Totals for all income	381.98	939.93	863.16	375.11	446.65	1,634.25	154.24	10.47	4,430.69	-	215.15	-	4,121.97	-	93.57

Portfolio performance

01 Feb 2017 to 31 Jan 2018

Movement in value

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WHAT TO LOOK FOR?

RETURNS THAT JUST DON'T LOOK CORRECT

Percentage returns

Periods to 01 February 2018

Since inception p.a.

Portfolio return before expenses (TWR)

12.28%

Portfolio return after expenses (TWR)

-1.38%

Cumulative returns over time



Portfolio performance

From to

26 Jan 2017 to 01 Feb 2018

Time weighted return is a cumulative return. In this example the highlighted area on the graph could be due to the timing and size of the expenses charged.

Go to Portfolio Details and select Portfolio Performance. Download the excel spreadsheet and select the Returns over time tab

WHAT TO LOOK FOR?

Identify the date causing the issue (13/2/18) and run the performance report after that date.
Or run the report for the same period using return on average value.

Percentage returns

Periods to 01 February 2018

Since 14/02/2017

12.5%

Portfolio return before expenses (TWR)

Portfolio return after expenses (TWR)

10.46%

Cumulative returns over time



NEED TO KNOW MORE?

Meet your VMAPS Representatives:



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