

# Portfolio Performance Evaluation

Presented by:

**Bob Pugh, CFA**  
**President and Founder,**  
**Insight Wealth Management, Inc.**  
**(703) 753-6082**  
**Email: [bob@insightwealth.com](mailto:bob@insightwealth.com)**  
**[www.insightwealth.com](http://www.insightwealth.com)**

**Workshop Materials**

**American Association of Individual Investors**  
**Washington, DC Chapter Workshop**  
**May 31, 2008**

INSIGHT

WEALTH

MANAGEMENT



Starting Portfolio Value, December 31, 2009

Cash Account	10,000.00
Fixed Income	30,000.00
Equity	
Stock ABC	20,000.00
Stock XYZ	20,000.00
Stock DEF	20,000.00
Stock GHI	-
	100,000.00

**Monthly  
Return**

January 31, 2010

Income (dividends and interest)				
Interest	183.33			
Dividends	-			
		183.33		
Deposits/withdrawals		-		
Fees		208.33		
			Allocations	
Cash Account		9,975.00	10.0%	
Fixed Income		30,015.32	30.2%	
Equity				
Stock ABC		18,000.00		
Stock XYZ		21,500.00		
Stock DEF		20,050.00		
Stock GHI		-	59.8%	
Month End Portfolio Value		99,540.32	100.0%	-0.46%

February 28, 2010

Income (dividends and interest)				
Interest	183.29			
Dividends	-			
		183.29		
Deposits/withdrawals		10,500.00		
Fees		207.38		
			Allocations	
Cash Account		20,450.91	19.2%	
Fixed Income		30,150.22	28.3%	
Equity				
Stock ABC		18,500.00		
Stock XYZ		20,500.00		
Stock DEF		17,000.00		
Stock GHI		-	52.5%	
Month End Portfolio Value		106,601.13	100.0%	-3.46%

March 31, 2010

Income (dividends and interest)				
Interest	231.92			
Dividends	-			
		231.92		
Deposits/withdrawals		-		
Fees		222.09		
			Allocations	
Cash Account	10,460.75		9.6%	
Fixed Income	30,150.22		27.6%	
Equity				
Stock ABC	20,100.00			
Stock XYZ	20,550.00			
Stock DEF	18,000.00			
Stock GHI	10,000.00		62.8%	
Month End Portfolio Value		109,260.97	100.0%	2.50%

April 30, 2010

Income (dividends and interest)				
Interest	186.13			
Dividends	-			
		186.13		
Deposits/withdrawals		-		
Fees		227.63		
			Allocations	
Cash Account	10,419.26		9.5%	
Fixed Income	30,250.22		27.7%	
Equity				
Stock ABC	20,100.00			
Stock XYZ	20,550.00			
Stock DEF	18,000.00			
Stock GHI	10,000.00		62.8%	
Month End Portfolio Value		109,319.48	100.0%	0.05%

May 31, 2010

Income (dividends and interest)				
Interest	186.40			
Dividends	-			
		186.40		
Deposits/withdrawals		-		
Fees		227.75		
			Allocations	
Cash Account	10,377.91		9.5%	
Fixed Income	30,250.22		27.8%	
Equity				
Stock ABC	20,150.00			
Stock XYZ	20,575.00			
Stock DEF	18,150.00			
Stock GHI	9,500.00		62.7%	
Month End Portfolio Value		109,003.13	100.0%	-0.29%

June 30, 2010

Income (dividends and interest)				
Interest	186.21			
Dividends	1,368.61			
		1,554.82		
Deposits/withdrawals		5,000.00		
Fees		227.09		
			Allocations	
Cash Account	16,705.64		14.5%	
Fixed Income	30,300.00		26.2%	
Equity				
Stock ABC	20,125.00			
Stock XYZ	20,575.50			
Stock DEF	18,155.00			
Stock GHI	9,575.00		59.3%	
Month End Portfolio Value		115,436.14	100.0%	1.31%

July 31, 2010

Income (dividends and interest)				
Interest	215.44			
Dividends	-			
		215.44		
Deposits/withdrawals		-		
Fees		240.49		
			Allocations	
Cash Account	16,680.59		14.6%	
Fixed Income	30,300.00		26.6%	
Equity				
Stock ABC	20,050.00			
Stock XYZ	19,750.35			
Stock DEF	18,100.67			
Stock GHI	9,000.00		58.7%	
Month End Portfolio Value		113,881.61	100.0%	-1.35%

August 31, 2010

Income (dividends and interest)				
Interest	215.33			
Dividends	-			
		215.33		
Deposits/withdrawals		-		
Fees		237.25		
			Allocations	
Cash Account	16,658.67		14.6%	
Fixed Income	30,350.00		26.7%	
Equity				
Stock ABC	20,000.00			
Stock XYZ	19,500.00			
Stock DEF	18,500.00			
Stock GHI	8,750.00		58.7%	
Month End Portfolio Value		113,758.67	100.0%	-0.11%

September 30, 2010

Income (dividends and interest)				
Interest	215.46			
Dividends	-			
		215.46		
Deposits/withdrawals		-		
Fees		237.00		
			Allocations	
Cash Account	16,637.13		14.5%	
Fixed Income	30,500.00		26.6%	
Equity				
Stock ABC	20,100.00			
Stock XYZ	19,550.00			
Stock DEF	18,555.00			
Stock GHI	9,250.00		58.9%	
Month End Portfolio Value		114,592.13	100.0%	0.73%

October 31, 2010

Income (dividends and interest)				
Interest	216.05			
Dividends	-			
		216.05		
Deposits/withdrawals		-		
Fees		238.73		
			Allocations	
Cash Account	36,164.44		30.2%	
Fixed Income	30,575.00		25.6%	
Equity				
Stock ABC	22,150.00			
Stock XYZ	-			
Stock DEF	19,678.00			
Stock GHI	11,000.00		44.2%	
Month End Portfolio Value		119,567.44	100.0%	4.34%

November 30, 2010

Income (dividends and interest)				
Interest	305.89			
Dividends	-			
		305.89		
Deposits/withdrawals		-		
Fees		249.10		
			Allocations	
Cash Account	36,221.23		29.1%	
Fixed Income	30,957.00		24.8%	
Equity				
Stock ABC	23,000.00			
Stock XYZ	-			
Stock DEF	21,900.00			
Stock GHI	12,500.00		46.1%	
Month End Portfolio Value		124,578.23	100.0%	4.19%

December 31, 2010

Income (dividends and interest)				
Interest	307.90			
Dividends	-			
		307.90		
Deposits/withdrawals		(15,000.00)		
Fees		259.54		
			Allocations	
Cash Account	21,269.59		18.8%	
Fixed Income	31,025.00		27.4%	
Equity				
Stock ABC	24,500.00			
Stock XYZ	-			
Stock DEF	22,750.00			
Stock GHI	13,890.00		53.9%	
Month End Portfolio Value		113,434.59	100.0%	3.10%

## Periodic Return Calculations and Sharpe Ratio

	Monthly Performance		Quarterly Performance	Annual Performance
	r	1 + r		
January	-0.46%	99.54%		
February	-3.46%	96.54%		
March	2.50%	102.50%	-1.50%	
April	0.05%	100.05%		
May	-0.29%	99.71%		
June	1.31%	101.31%	1.08%	
July	-1.35%	98.65%		
August	-0.11%	99.89%		
September	0.73%	100.73%	-0.73%	
October	4.34%	104.34%		
November	4.19%	104.19%		
December	3.10%	103.10%	12.08%	10.77%
Standard Deviation	2.32%			
<b>Sharpe Ratio</b>				
Cash Return	3.00%			
Excess Return	7.77%			
Sharpe	2.05			
<b>Monthly Average Return</b>				
Arithmetic	0.88%			
Geometric	0.86%			

## Benchmark Returns

Benchmark Component Returns:		
January to June		
Cash		3.0%
Fixed-Income		7.0%
Equity		8.0%
July to December		
Cash		3.0%
Fixed-Income		8.0%
Equity		13.0%

Date	Asset Allocation	Benchmark Contribution	Benchmark Return	
			r	r + 1
January				
Cash	10.0%	0.025%		
Fixed-Income	30.2%	0.176%		
Equity	59.8%	0.399%	0.60%	1.0060
February				
Cash	19.2%	0.048%		
Fixed-Income	28.3%	0.165%		
Equity	52.5%	0.350%	0.56%	1.0056
March				
Cash	9.6%	0.024%		
Fixed-Income	27.6%	0.161%		
Equity	62.8%	0.419%	0.60%	1.0060
April				
Cash	9.5%	0.024%		
Fixed-Income	27.7%	0.161%		
Equity	62.8%	0.419%	0.60%	1.0060
May				
Cash	9.5%	0.024%		
Fixed-Income	27.8%	0.162%		
Equity	62.7%	0.418%	0.60%	1.0060
June				
Cash	14.5%	0.036%		
Fixed-Income	26.2%	0.153%		
Equity	59.3%	0.395%	0.58%	1.0058
July				
Cash	14.6%	0.037%		
Fixed-Income	26.6%	0.177%		
Equity	58.7%	0.636%	0.85%	1.0085
August				
Cash	14.6%	0.037%		
Fixed-Income	26.7%	0.178%		
Equity	58.7%	0.636%	0.85%	1.0085
September				
Cash	14.5%	0.036%		
Fixed-Income	26.6%	0.177%		
Equity	58.9%	0.638%	0.85%	1.0085
October				
Cash	30.2%	0.076%		
Fixed-Income	25.6%	0.170%		
Equity	44.2%	0.479%	0.72%	1.0072
November				
Cash	29.1%	0.073%		
Fixed-Income	24.8%	0.166%		
Equity	46.1%	0.499%	0.74%	1.0074
December				
Cash	18.8%	0.047%		
Fixed-Income	27.4%	0.182%		
Equity	53.9%	0.584%	0.81%	1.0081
Benchmark Return				8.72%
Benchmark Risk (standard deviation)				0.12%
Benchmark Sharpe Ratio				48.50

## Information Ratio

	Monthly Portfolio Performance	Monthly Benchmark Performance	Excess Return
January	-0.46%	0.60%	-1.06%
February	-3.46%	0.56%	-4.02%
March	2.50%	0.60%	1.89%
April	0.05%	0.60%	-0.55%
May	-0.29%	0.60%	-0.89%
June	1.31%	0.58%	0.73%
July	-1.35%	0.85%	-2.20%
August	-0.11%	0.85%	-0.96%
September	0.73%	0.85%	-0.12%
October	4.34%	0.72%	3.62%
November	4.19%	0.74%	3.45%
December	3.10%	0.81%	2.28%

Average Excess Return	0.18%
Standard Deviation of Excess Return (active risk)	2.30%
Information Ratio	0.079