

GAIN/LOSS CALCULATION EXPLAINED

The gain/loss RoR calculation is a simple formula and is not time weighted.

GAIN/LOSS SINCE INCEPTION (NET INVESTED)

$$\text{Gain/Loss Dollars} = \text{MVE} - (\text{MVB} + \text{Net Invested})$$

$$\text{Gain/Loss Percent} = \frac{\text{Gain/Loss Dollars}}{\text{MVB} + (\text{Net Invested})}$$

Where:

MVE = end market value

MVB = beginning market value

Net Invested = cash flow coming into an account – cash flow going out of an account

Note: This rate of return is being calculated since inception; therefore the market value at the beginning is going to be zero. Please see Gain/Loss Since... for entering a beginning date.

Assuming an account has the following values, the account rate of return would be calculated as follows:

Step One:

MVB = \$0
MVE = \$12 514.97
Net invested = \$10 000.00

MVE- MVB- Net Invested
= \$12 514.97- (\$0 + \$10 000)
=\$2 514.97

Step Two:

Gain/Loss Dollars
MVB + (Net Invested)
= \$2514.97
\$10 000
= 25.150% (The Gain/Loss return is 25.150%)

GAIN/LOSS SINCE ... (NET INVESTED):

This formula uses the same calculation as above, except rather than the market value at the beginning being 0, it would use the market value from whichever day you entered in the "Since" date field available in the report option screen. This would calculate a rate of return based on a time frame rather than "Since Inception" of the account.