

Understanding Performance Tables

Is your money in good hands?

We're often asked by potential clients, how to consider performance...

“Is it important to beat a benchmark?”

“Is an annualized return of 7% good?”

“How do I tell if you're making me money?”

The questions come in a variety of forms, but they are driving towards the same central inquiry,

“Is my money in good hands?”



Motley Fool
Wealth Management

At Motley Fool Wealth Management, we actively manage seven distinctive strategies. Our clients receive a personal portfolio, a combination of these strategies in what we believe is the appropriate mix for their risk profiles and return goals—what we collectively refer to as their asset allocation.*

To get an accurate view of how their personal portfolio is doing, our clients can log into their account any time they want to see their daily performance.

However, if they want to see the returns of the seven individual strategies we manage, the performance tables below can help.

Our performance tables display the returns of representative accounts—these are real accounts in which we invest our firm’s money. Again, since we invest our clients’ personal portfolios in a blend of these strategies that we believe can best suit their individual, unique investing needs, the returns of these representative accounts will differ.

The tables depict our performance in two ways:

- ① **Gross:** the total performance before the deduction of management fees but inclusive of trading and other costs
- ② **Net:** the total performance after the deduction of management fees, and trading and other costs

They also include a benchmark return. **While we do not manage our strategies to a particular benchmark,** we recognize that some investors like to compare returns to a market metric. But it is important to remember, you cannot invest directly in an index. And benchmark returns do not include any management fees, trading costs, or other expenses that every actively or passively managed portfolio should have.



We show performance for different time frames.

One chart has **annualized** returns. Think of annualized as a rolling number. For instance, a 1-year annualized return is the performance over the last 12 months, while a 3-year rolls-up the previous 36 months.

The quarter-to-date (QTD) and year-to-date (YTD) performances are the monthly returns for whatever portion of the quarter/year has passed. So, if the table is through the end of February, the QTD performance would include the returns for January and February.



PERFORMANCE FOR REPRESENTATIVE ACCOUNTS (as of 4/30/24.)

Strategy		QTD (%)	YTD (%)	1Y (%)	Annualized			Since Inception	Inception
					3Y (%)	5Y (%)	10Y (%)		
U.S. Large Cap	Dividend Benchmark: S&P 500 *	Gross	-5.74	-1.85	4.48	1.87	8.58	10.99	02/25/16
	Net	-5.82	-2.17	3.50	0.92	7.56	--		
	Benchmark	-4.08	6.05	22.66	8.07	13.20	14.32		
U.S. Large Cap	Large Cap Core Benchmark: S&P 500 *	Gross	-5.49	3.38	26.28	5.21	12.25	14.17	03/27/14
	Net	-5.56	3.05	25.12	4.22	11.20	13.03		
	Benchmark	-4.08	6.05	22.66	8.07	13.20	12.41		
U.S. Large Cap	Large Cap Aggressive Growth Benchmark: S&P 500 *	Gross	-4.69	3.61	34.76	1.60	10.57	13.47	10/23/14
	Net	-4.77	3.28	33.52	0.64	9.53	--		
	Benchmark	-4.08	6.05	22.66	8.07	13.20	12.60		
U.S. Sm. & Mid	U.S. Small & Mid Cap Benchmark: S&P MidCap 400 *	Gross	-6.35	-0.44	15.08	-4.90	6.53	6.68	12/04/14
	Net	-6.42	-0.75	14.01	-5.80	5.53	--		
	Benchmark	-6.02	3.34	16.83	3.26	9.47	9.25		
Diversifying	Fixed Income Benchmark: Bloomberg Barclays U.S. Corpo - rate Bond Index	Gross	-0.63	-0.27	3.23	-0.40	1.14	1.60	12/04/14
	Net	-0.71	-0.59	2.26	-1.34	0.19	--		
	Benchmark	-1.35	-1.09	2.74	-1.22	1.53	2.43		
Diversifying	International Benchmark: S&P Global ex-US BMI (Broad Market Index) *	Gross	-5.16	0.05	10.42	-0.17	6.98	4.98	12/04/14
	Net	-5.24	-0.27	9.38	-1.11	5.98	--		
	Benchmark	-1.62	2.74	10.24	0.39	5.58	5.20		
Alternatives	Hedged Equity Benchmark: 70% of the S&P 500 *	Gross	-4.65	-0.54	15.59	-2.68	6.29	8.62	04/17/14
	Net	-4.73	-0.85	14.51	-3.60	5.29	7.53		
	Benchmark	-2.86	4.26	15.65	5.92	9.47	8.81		

Another chart presents the **annual** returns for the last several calendar years.

PERFORMANCE FOR REPRESENTATIVE ACCOUNTS (as of 4/30/24.)

Strategy		2023 (%)	2022 (%)	2021 (%)	2020 (%)	2019 (%)	2018 (%)	Inception Date	
U.S. Large Cap	Dividend Benchmark: S&P 500 *	Gross	12.55	-15.03	21.99	17.96	27.90	2.85	02/25/16
	Net	11.50	-15.85	20.86	16.87	26.72	1.88		
	Benchmark	26.27	-18.10	28.72	18.40	31.50	-4.38		
U.S. Large Cap	Large Cap Core Benchmark: S&P 500 *	Gross	41.41	-26.73	17.22	35.19	31.66	0.68	03/27/14
	Net	40.12	-27.44	16.13	33.95	30.45	-0.27		
	Benchmark	26.27	-18.10	28.72	18.40	31.50	-4.38		
U.S. Large Cap	Large Cap Aggressive Growth Benchmark: S&P 500 *	Gross	56.92	-34.97	1.81	57.08	29.19	1.95	10/23/14
	Net	55.49	-35.60	0.86	55.65	27.99	0.99		
	Benchmark	26.27	-18.10	28.72	18.40	31.50	-4.38		
U.S. Sm. & Mid	U.S. Small & Mid Cap Benchmark: S&P MidCap 400 *	Gross	25.38	-30.33	6.81	31.24	31.79	-10.72	12/04/14
	Net	24.22	-31.00	5.81	30.03	30.57	-11.57		
	Benchmark	16.45	-13.06	24.77	13.64	26.21	-11.10		
Diversifying	Fixed Income Benchmark: Bloomberg Barclays U.S. Corporate Bond Index	Gross	5.97	-6.57	-0.73	3.43	7.63	0.42	12/04/14
	Net	4.98	-7.45	-1.66	2.46	6.62	-0.52		
	Benchmark	7.18	-9.40	-1.00	7.47	10.14	-0.20		
Diversifying	International Benchmark: S&P Global ex-US BMI (Broad Market Index) *	Gross	21.38	-19.09	6.57	25.33	27.15	-16.03	12/04/14
	Net	20.25	-19.87	5.57	24.17	25.97	-16.84		
	Benchmark	16.23	-16.52	8.67	12.21	22.15	-14.18		
Alternatives	Hedged Equity Benchmark: 70% of the S&P 500 *	Gross	26.81	-27.19	5.17	29.85	27.36	5.55	04/17/14
	Net	25.64	-27.89	4.18	28.65	26.18	4.56		
	Benchmark	18.03	-12.57	19.53	13.31	21.40	-2.86		



What's the takeaway?

First, as a client, you pay us a management fee to help shoulder the burden of research and ultimately make the buy, sell, and hold decisions on your behalf, so you should consider a strategy's net performance. That is the actual return you would get if you were invested the same as the representative account after fees.**

Second, our goal with our performance tables is to show you how the underlying investing strategies have performed. But it's crucial to remember that your portfolio is what we believe to be the appropriate blend of these strategies that best suits your unique goals and financial situation. This means that you will have different performance from the representative accounts, and you will be able to track that performance in real-time by logging into your Fool Wealth account.

Last, we think annualized returns are a more appropriate measure of performance than annual returns since the markets don't begin on January 1st and end on December 31st each year. We do not buy or sell our holdings based on ringing in the new year! Instead, we invest for the long term based on our Four Pillars of Quality framework.

We believe your money is in good hands

With over 150 years of collective experience, our investing team of Portfolio Managers and Analysts has seen almost every kind of market and has built an investing process based on fundamental analysis of the businesses in which they invest. Rooted in the Foolish investing philosophy and a firm belief in the long-term wealth-creating power of the markets, our team invests our clients' money with the aim of providing long-term outperformance that seeks to achieve our clients' financial goals and dreams.

Pro tip:

When you're considering any investment management firm, it's important to ask what their fees are, and to ensure you are presented performance information net of those fees.

[Click to see our latest performance](#)

*We tailor our asset allocation recommendations for each client. However, our selection of individual securities is not personally tailored to client accounts. Rather, the individual securities purchased and sold for client accounts are based upon and track the holdings in our Model Portfolios which correspond to each strategy.

**The representative account fee for periods before October 1, 2017 was 1.15%, and 0.95% for periods beginning on October 1, 2017. As of May, 2024 clients currently pay management fees of 0.95% per year if they have assets under management of \$1M or less and 0.75% on assets over \$1M.

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