



Majestic Oak Financial

A Registered Investment Advisor

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I hope you're finding some fun and relaxation in the summer sun.

Brushing Up on How to Read These Quarterly Reports

These quarterly reports are chock-full of numbers, all of them useful but some more so than others. So, I thought it was time for a quick review on how to read the most important numbers on these reports.

X Quarter Portfolio Performance

Client - Smith, Jim & Jane

Anna M. Popke, CFP
Phone: 512-291-3546

Range: 04/01/12 to 06/30/12

Historical Performance				
	Since Perf Start Date	Previous Year	Current Year to Date	Selected Range
Account Review				
Beginning Value		21,089	19,651	21,398
Net Flows	20,000		5,000	5,000
Capital Appreciation	4,032	(2,089)	652	(1,068)
Income	1,349	651	79	53
Change in Accrued Expenses				
Ending Value	25,382	19,651	25,382	25,382
Investment Gain	5,382	(1,437)	730	(1,016)
Account(s)	48.71 %	(6.82)%	4.70 %	(3.84)%
Account(s) Annualized	12.01 %	(6.82)%		
S & P 500	50.81 %		8.31 %	(3.29)%
S & P 500 Annualized	12.46 %			
Lehman Aggregate Bond Fund	6.81 %	4.26 %	.95 %	1.32 %
Lehman Aggregate Bon Annualized	1.90 %	4.26 %		

* Performance Start Date is 12/31/08

Asset Allocation By: Asset Class As Of 6/30/2012

Asset Class	Percentage
High Quality Bo	21.66 %
Large Cap Foreign	10.13 %
Emerging Market	10.24 %
Tangibles - Real	10.17 %
Large Cap Value	6.19 %
Small Cap Value	6.24 %
Mid Cap Value	6.13 %
High Yield Bond	3.95 %
Small Cap Growth	5.75 %
Tangibles - Oil	8.86 %
Cash	2.17 %

The first report in your packet is titled “2nd Quarter Portfolio Performance” and looks similar to the page above. The first item to note is circled here in red – it is the date range of this report page. In the report for the Smith’s above, you’ll note it covers the period of 4/1/12 – 6/30/12. Similarly, your report covers the period of 4/1/19 – 6/30/19.

The next item to note is the column with the green circle – Selected Range. The selected range is the date range in the red circle. All the data in column under Selected Range is the performance calculations for 4/1/12 – 6/30/12. Likewise, on the report you are receiving today, the Selected Range is 4/12/19 – 6/30/19.

The column to the left circled in orange – Current Year to Date – covers the time period of 1/1/12 – 6/30/12. As you can guess, on your report, the current year to date column covers 1/1/19 – 6/30/19.

The uncircled Previous Year column covers the entire calendar year preceeding this one. So, for the Smith report above, since the range is in 2012, the previous year data is for 1/1/2011 – 12/31/2011. On your report, that Previous Year column covers 1/1/2018 – 12/31/2018.

The left-most column, circled in blue, is your Since Performance Start Date. If you look below that column, you'll see the date that we started working together to manage your investments. It's the entire history of the portfolio.

So, now that we know what time period each column refers to, what do all those numbers mean??

Beginning Value: the value of the portfolio at the beginning of that column's time period. So, for the Since Performance Start Date, it should be \$-0- because there was no value when we opened the account. For the Selected Range, it will be the portfolio value as of the earlier date in the red circle. For the Smiths, the opening value for the Selected Range is \$21,398.

Net Flows: any money that was deposited or (withdrawn) from the account. You can see that the Smiths deposited \$5,000 in their accounts during 4/1/12 – 6/30/12.

Capital Appreciation: If the value of the investments increased during the period, this will be positive. If the value of the assets decreased, it will be negative. Because the market performed poorly from 4/1/12 – 6/30/12, you can see that the underlying investments in the Smiths' accounts lost \$1,068.

Income: If any of the investments paid out interest or dividends, it is reflected in this line. The Smiths' investments generated \$53 of dividends and interest during the Selected Range.

Expenses: If the portfolio had any expenses during the time period, it would be reflected in this line. Expenses would include investment management fees, foreign tax withholdings, etc.

Ending Value: This is the value of the portfolio at the end of the date range. The value of the Smith's portfolio on 6/30/12 was \$25,382.

Investment Gain: This is the dollar amount difference between the Beginning Value plus any deposits and the Ending Value for that time period. For example, for the period of 4/1/12 – 6/30/12, the value of the Smith's accounts fell by \$1,016. For the Current Year to Date (1/1/12 – 6/30/12), they have a gain of \$730. In the previous calendar year, the accounts lost \$1,437 while since the beginning, they grew by \$5,383.

Accounts: For each column, this is the percentage by which the account grew for that period.

Accounts Annualized: In this column, this is the average percentage of growth per year.

S&P 500: For comparison purposes, this is the total percentage by which the S&P 500 grew for the time period.

S&P 500 Annualized: This is the average annual percentage growth of the S&P 500.

Lehman Aggregate Bond Fund: For comparison purposes, this is the total percentage by which the Lehman Aggregate Bond (all US bonds) grew for the time period.

Lehman Aggregate Bond Fund Annualized: This is the average annual percentage growth of the Lehman Aggregate Bond grew for the time period.

Note that if your portfolio is a mix of equity investments and bond investments, performance of your portfolio should lie somewhere between that of the S&P 500 and the Lehman Aggregate Bond Fund.

Year-to-Date Performance vs. Inflation

Anna M. Popke, CFP
Phone: 512-291-3548

Range: 01/01/12 to 06/30/12

Client - Smith, Jim & Jane
(All Accounts)

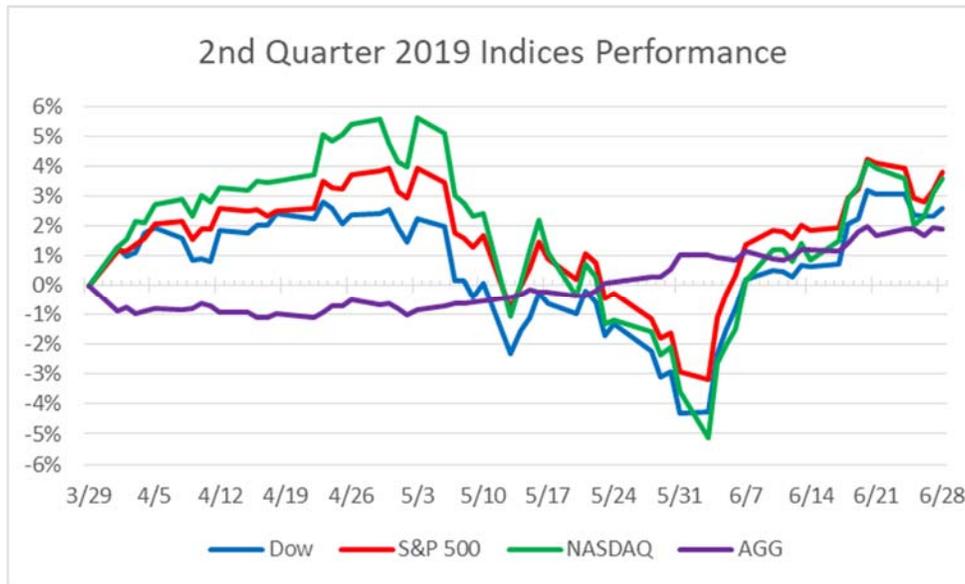
	*Since Performance Start Date	01/1/12 to 01/31/12	02/1/12 to 02/29/12	03/1/12 to 03/31/12	04/1/12 to 04/30/12	05/1/12 to 05/31/12	06/1/12 to 06/30/12
Beginning Value		19,651	20,786	21,417	21,398	26,430	24,807
Net Flows	20,000				5,000		
Capital Apprec.	4,032	1,127	625	(32)	19	(1,643)	556
Income	1,349	7	7	12	14	20	19
Change in Accrued Expenses							
Ending Value	25,382	20,786	21,417	21,398	26,430	24,807	25,382
Investment Gain	5,382	1,134	631	(20)	33	(1,623)	575
Account(s)	48.71%	5.77%	3.04%	(.09%)	.13%	(6.14%)	2.32%
Account(s) Annualized	12.01%						
Inflation Measured by CPI	9.16%	.44%	.44%	.76%	.31%	(.12%)	(.15%)
Inflation Measured by CPI Annualized	2.54%						

The second page of your Quarterly Report compares the performance of your portfolio with inflation. Inflation is the rate by which general prices in the economy are increasing each year. One of the ways to measure inflation is called the Consumer Price Index (CPI). It measures by how much the prices of things that you and I might regularly purchase increases over time. The most important thing about your investments is whether they are earning more than the rate of inflation *over the long term*. The information in the blue circle refers to the Since Performance Start Date just like on the first page. The Account(s) line provides the overall performance of your portfolio. It should be the same number as in the Since Performance Start Date column on the previous report. Similarly, the Accounts Annualized gives the average annual performance of your portfolio. The new information is Inflation Measured by CPI and Inflation Measured by CPI Annualized. The first number is the total inflation rate in the economy for the time period that we've been managing your investments together. The Annualized number is the average annual rate of inflation. We want to compare the Accounts Annualized and the Inflation Annualized.

The last set of pages in your report are titled Account Summary. They are simply the market value of each investment in each account as of the date in the top right hand corner. This is the only report that provides information on an account-by-account basis. The account number and name is in the top left of the page while the total dollar value of each account is the last number of the Market Value column.

2nd Quarter 2019 Market Performance

<i>Index</i>	<i>6/30/19 Ending Value</i>	<i>2Q 2019 Performance</i>
Dow Jones	26,599.96	2.59%
S&P 500	2,941.76	3.79%
NASDAQ	8,006.24	3.58%
Lehman Aggregate Bond	111.35	1.90%



Your Individual Investment Reports

The following reports for Year-to-Date 2019 are provided for your review:

- ✚ **2nd Quarter 2019 Portfolio Performance** – Compares the 2nd Quarter month-end percentage performance of the S&P 500 & Lehman Aggregate Bond Index with your portfolio performance.
- ✚ **2019 Year-to-Date Portfolio Performance vs. Inflation** – Performance of your investment portfolio compared to the rate of inflation as measured by the Consumer Price Index (CPI) for both the since inception period of your accounts and year-to-date 2019.
- ✚ **Account Summary** – Current market value of each asset within your accounts as of 06/30/19
- ✚ **Investment Billing Statement** for the 3rd Quarter 2019^{**}: Investment advisory fees for the period of 07/01/19 through 09/30/19 (based on 06/30/19 values). *This is an informational billing only.* Your account is automatically debited unless other arrangements have been made.

Please remember that this investment reporting is for informational purposes only. You should also refer to the monthly account statements you receive from TD Ameritrade Institutional.

If you happen to know anyone who might benefit from the services I provide in assisting you in managing your investment portfolio and reaching your financial goals, I would enjoy speaking with them. Don't keep me a secret! ☺ And as always, please do not hesitate to contact me if you have any questions about your reports or wish to discuss any other financial matters.

Sincerely,

Anna M. Popke, CFP[®], RICP[®]

*Index performance is provided as a benchmark only. The performance of your individual investment portfolio will vary from that of any one index. Past performance of an index is never a guarantee of future results.

****PLEASE NOTE:** Clients who hold "cash reserves" within their brokerage accounts will have slightly different portfolio balances depicted on the Statement of Assets Summary and the Billing Statement. This is because "cash reserves" are excluded from the advisory fee. However, cash held awaiting investment in the upcoming quarter *will* be subject to the normal quarterly fee.

Investment Advisory Fee Calculations:

Fees are paid in advance on the 7th (or prior closest business day) of the month following the end of the quarter. The amount due is calculated by applying the prorated annual fee percentage to the previous quarter-end account value(s). Fees are further prorated for accounts opened after the beginning of a new quarter. Fees may be paid directly from the investment account(s) or consolidated and paid from a specified account. Money market/cash reserves are excluded from totals. Statements have been prepared by Majestic Oak Financial from information provided by TDAmeritrade and while deemed reliable, are not guaranteed.