

# Your Rate of Return



## A Key to Your Retirement Account Performance



You can see your personal rate of return on both your quarterly account statement (in the Your Current Asset Allocation section) and on Personal Savings Center at [standard.com/retirement](https://standard.com/retirement) (choose My Account, Investment Performance from the top menu).

### What is Rate of Return?

The rate of return shows the investment return of your retirement plan account over time as a percentage. This number shows how assets in your account have increased or decreased in value over a period of time.

On your statement, the rate of return is reported for the previous quarter and the year-to-date. On Personal Savings Center, you can see several points in time or choose a date range of your own.

In addition to market changes, the rate-of-return also considers the size and timing of both contributions and withdrawals.

The rate-of-return calculation:

- is purely informational
- doesn't reflect the performance of individual funds or investments
- doesn't include your assets outside of The Standard
- might not be accurate if you had a zero balance during the shown time period, such as if you enrolled in the plan during that time

Your rate-of-return calculation is tied to market performance. It will also be affected by large cash flows in or out of your account. As an example, your rate of return would be skewed if you rolled over a lump sum from another account a week before quarter-end.

### How a Personal Rate of Return Differs From Fund Performance

Fund performance information isn't personal since it doesn't take consider your contributions or recent account activity. Your rate of return calculation, on the other hand, is personal because it is based on the performance of your overall portfolio.

### How is it Calculated?

Financial institutions use different formulas to calculate rate of return. The four aspects below each play a part in our formula. In each case, daily data is used.

- **Beginning Balance:** Your account's value in dollars at the start of the period.<sup>1</sup>
- **Ending Balance:** Your account's value in dollars at the end of the time period.<sup>1</sup>
- **Total Contributions:** The total amount you contributed during the time period.
- **Weighted Balance:** The accumulated balance of your account plus the amounts you contributed or withdrew, with consideration of the size and timing of deposits and withdrawals. The amount may be negative if more money left the account than entered it.

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## Rate-of-Return Formula

$$\frac{\text{Ending Balance} - \text{Beginning Balance} - \text{Total Contributions}}{\text{Weighted Balance}} \times 100 = \text{Rate of Return}$$

## Examples

This example can help show how the rate of return calculation works.

### Rate Of Return<sup>2</sup>

Account Activity		# of Days Invested	Weighted Balance
Beginning Balance	\$1,000	365	\$1,000
Contribution	100	305	84
Contribution	50	213	29
Contribution	150	91	37
Contribution	200	30	16
Ending Balance	\$1,550		\$1,166
Investment Return (Ending Balance - Beginning Balance - Contributions)	\$50		

To get the rate of return, use the numbers from the table and plug them into the formula. The top line represents the investment return; the bottom line is the weighted balance.

$$\frac{1,550 - 1,000 - 500}{1,166} \times 100 = 4.29\%$$

The 4.29% represents the personal rate of return over this time period.



## Questions?

To learn more about your rate of return, contact us at 800.858.5420 or email [savings@standard.com](mailto:savings@standard.com).

<sup>1</sup> Outside assets (for example, self-directed brokerage accounts) are not part of the calculation.

<sup>2</sup> This example is hypothetical and for illustrative purposes only and is not indicative of the performance of any specific investment. Investments are subject to market risk and fluctuate in value. Past performance is no guarantee of future results. Investment decisions should not be made on investment returns alone.

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Employers and plan participants should carefully consider the investment objectives, risks, charges and expenses of the investment options offered under the retirement plan before investing. The prospectuses for the individual mutual funds in the group annuity contain this and other important information. Prospectuses may be obtained by calling 877.805.1127. Please read the prospectus carefully before investing. Investments are subject to market risk and fluctuate in value.

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