

By Kenneth J. Michal

## The Current Crop

The comparison grids on pages 14-16 detail the features and functionality of each program. This article touches on the primary factors to consider when selecting a portfolio management tool and includes general descriptions of each of the programs.

When shopping for a portfolio management program, it is best to develop a shopping list or checklist of features to consider when comparing programs. These features include:

- costs,
- systems,
- securities/assets handled,
- transactions handled,
- reporting strength and flexibility,
- data updates, and
- ease of use.

When the issue of price comes into question, shoppers should look beyond the retail price tag. The time spent learning how to use a program,

Consider these cost issues now before investing your money and, more importantly, possibly wasting your time. When analyzing your situation, consider not only your current needs, but any possible future needs as well.

Few areas of analysis warrant program testing and review more than portfolio management. If a demo of

## Systems

Ninety percent of computer users rely on Windows-based systems, so it is not surprising to find that all of the vendors offer Windows versions of their programs, while only Intuit also offers a Mac version of Quicken. Intuit was designed and built for Mac OS X, but also works with Mac OS 9.04 or later.

When looking at the scope of securities accommodated by any prospective program, consider not only the types of securities or assets that you currently hold, but also those securi-

The screenshot displays the 'Capital Center' application interface. The main window is titled 'Global Securities' and contains a list of securities. The list has columns for 'Symbol', 'Name', 'Global Symbol', and 'Name'. The securities listed include AAPL (Apple), AAP (American Express), CASH (Cash), NASDAQ (Vanguard Divd Growth Stock Fund), CCB (Central Card), CPO (Compass Card), DUB (Dow Jones), ETRM (E\*Trade Intl), FQSDH (Fidelity Cash), FQSDI (Fidelity Sel), FQSDW (Fidelity Sel), FQSDI (Fidelity Sel), FQSDI (Fidelity Sel), and FQSDI (Fidelity Sel).

On the right side of the application, there is a 'Security Type' window. This window is divided into two panes. The left pane shows a list of security types, including 'STOCK FUND TYPES' and 'BOND TYPES'. The right pane shows a detailed view of a selected security type, including its 'Type', 'Description', and various financial metrics like 'Price', 'Current Value', and 'Current Gain/Loss'.

The 'Global Securities' window is also open, showing a list of securities with columns for 'Symbol', 'Name', 'Global Symbol', and 'Name'. The securities listed include AAPL (Apple), AAP (American Express), CASH (Cash), NASDAQ (Vanguard Divd Growth Stock Fund), CCB (Central Card), CPO (Compass Card), DUB (Dow Jones), ETRM (E\*Trade Intl), FQSDH (Fidelity Cash), FQSDI (Fidelity Sel), FQSDW (Fidelity Sel), FQSDI (Fidelity Sel), and FQSDI (Fidelity Sel).

**Figure 2.**  
**Tracking Diverse Securities With Captool**



securities and asset types, as shown in Figure 2.

### Transactions Handled

The transactions supported by the program are closely related to the types of securities that the program is designed to handle. Make sure that any potential program includes all the relevant transactions you might require.

All the programs compared here handle standard transactions such as buy/sell and cash dividends. However, the ability to handle short sales and return of capital are key areas where the programs vary in their coverage.

Related to the issue of transactions is the ability to specify security lot assignments to any given transaction. Security lot assignments are detailed in the comparison grids immediately below the transactions section. This is an important feature, especially to those interested in tax liability issues and tracking performance. (A lot is the total number of units involved in a given trade.) If you reinvest dividends from your mutual funds and stocks, you will find yourself tracking

ties you might want to purchase in the future. All programs cover the basic security classes—stocks, bonds, mutual funds, and cash. Figure 1 depicts Capital Gainz security support, which is geared toward cash, stocks, mutual funds and bonds.

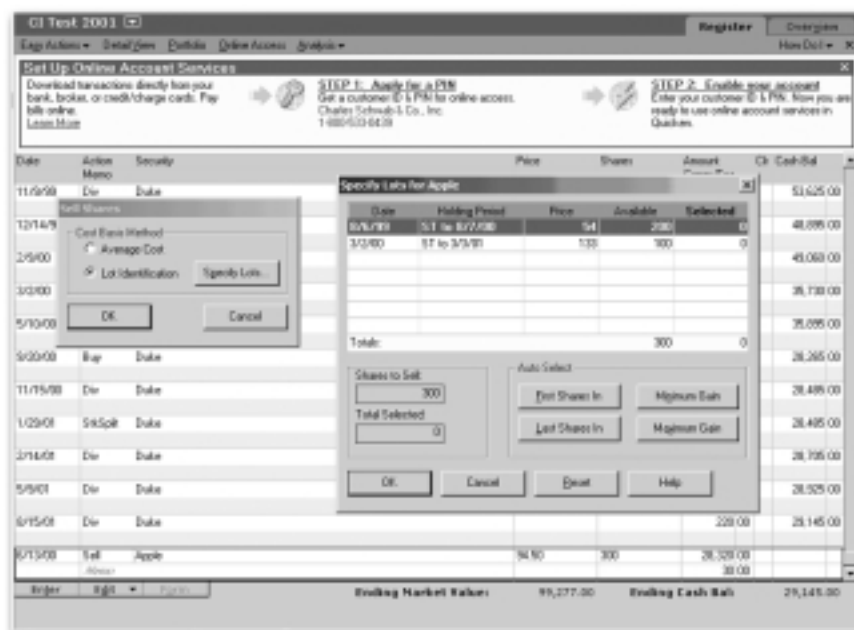
Some programs will specialize in one area, such as mutual funds. While the program in question may cover one area well, it might be difficult to track other types of securities should the scope of your investment holdings expand.

If your portfolio includes unusual securities or assets, such as derivatives, pay close attention to whether or not the program handles them. Also, other sections within the comparison grid relate to security and asset coverage: Transaction types, security lot assignments, reports, and even data services can affect how you track, organize, and analyze your portfolio.

Any solid portfolio management program should also allow you to measure the diversification of your holdings. These programs can sort your portfolio into various categories in order to measure diversification. Some programs even measure the di-

versification within a particular asset class. For example, you may want to examine the sector or industry breakdown of your stock portfolio or the state-by-state make-up of a municipal bond portfolio. Captool provides built-in support for a wide range of

**Figure 3.**  
**Security Lot Assignments Offered by Quicken**



numerous lots over a long period of time. Any solid portfolio management package will automatically match buy and sell lots for different accounting strategies for the purpose of reducing one's tax exposure. These strategies include: first-in-first-out (FIFO), average cost, and specific lot. Finding an application that handles all three lot assignment methods is key when deciding on a program. Looking at Figure 3, Quicken supports calculation of average cost basis as well as automatic calculation of FIFO, last-in-first-out (LIFO), maximum capital gain, and minimum capital gain.

## Reports

Reports allow you to analyze your portfolio and investments. The eight applications vary widely in the types of reports they provide as well as in the strength and flexibility they offer. Again, check to see if the programs that you are considering have the types of reports you want, but also look at other reports offered that you do not currently use in your analysis. They might enhance the overall evaluation of your portfolio.

**Figure 4.**  
**Current Holdings Report From Portfolio Record Keeper**

Type/Quantity	Units	Total Cost	Market Price	Market Value	% of Portfolio	Totalized Gain/Loss	% Gain/Loss	Estimated Income	Yield	Beta
<b>Bonds (Fixed Rate)</b>										
Chile Govt	25,401.0000	25,401.00	25,401.00	25,401.00	41.45			1.0912	2.2	
		25,401.00		25,401.00	41.45			1.0912	2.2	
<b>Bond Funds</b>										
Putnam Fund	1,211.0000	28,432	23,804.00	23,804.00	39.28	-4,628.00	-42.0	1.2110	34	0.80
		28,432.00		23,804.00	39.28	-4,628.00	-42.0	1.2110	34	0.80
<b>Common Stocks</b>										
American Express	800.0000	41,408	13,080.00	20,560.00	11.14	-20,848.00	-100.0	0.00	80	80
		41,408.00		20,560.00	11.14	-20,848.00	-100.0	0.00	80	80
<b>Totals:</b>		<b>95,241.00</b>		<b>70,765.00</b>		<b>-24,476.00</b>	<b>-25.7</b>	<b>1.2421</b>	<b>14</b>	<b>64</b>

**Figure 5.**  
**Investor's Accountant Holdings by Lots Report**

Invest Date	Quantity	Cap Gain/Net Income	Total Gain/Loss
Invested	Realized	\$ % Annually	\$ % ROI%
<b>Portfolio IR # Jones IRA</b>			
<b>DEL Del South Stock</b>			
07/23/92	108	2,777 217.3 13.2	Value 85/15/91 4,855
	1,270	632 47.9 4.3	3,309 265.2 15.8
02/02/91	12,598	-66 -18.6 Reinv	Value 85/15/91 551
	617	9 3.4 Reinv	-57 -9.2 Reinv
<b>DEL Total IR</b>			
12/30/99	113,598	2,711 143.1	Value 11/06/91 4,686
	1,895	621 32.8	3,332 275.9
<b>DREYFUS Dreyfus A Bonds + Bond</b>			
10/01/97	477.916	-220 -4.6 -1.1	Value
	1,600		
03/01/91	306.392	-13 -8.3 Reinv	Value
	4,297	4,286 99.7 Reinv	
<b>DREYFUS Total IR</b>			
12/30/99	784.208	-333 -3.8	Value
	11,297	4,286 37.9	
<b>US813 US Treas 12 8/2013</b>			
02/03/98	1,008	-15,350 -9.9 -2.7	Value

While you want to be sure that a program provides enough flexibility and functionality to complete your current task list, consider possible future needs with regard to securities and transactions handled along with

reporting capabilities. Doing so now will save you time and effort down the road.

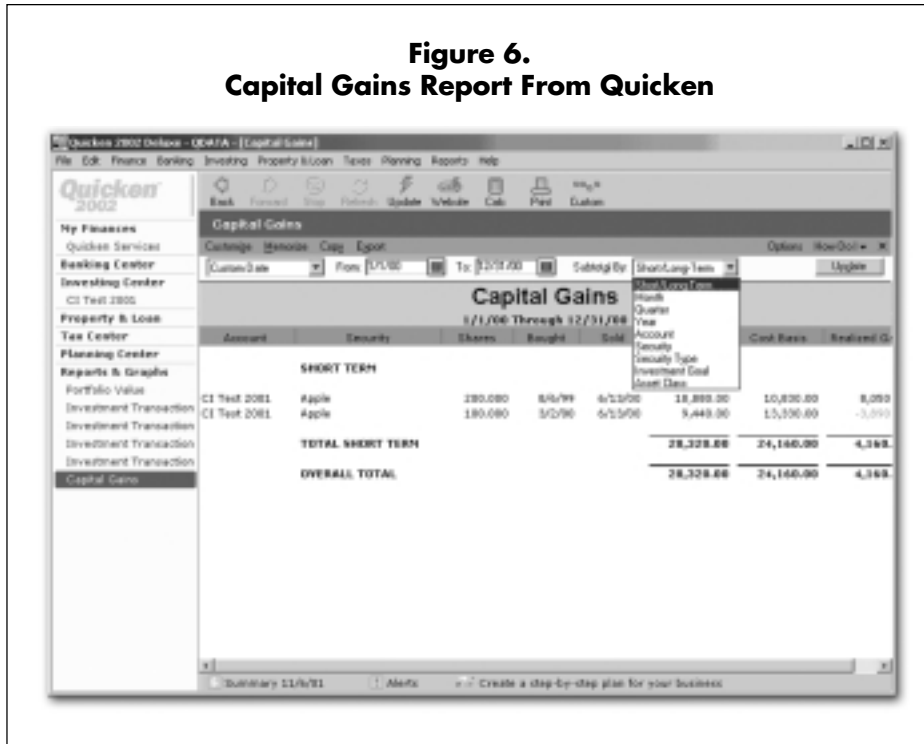
The current holdings report lays out the composition of your portfolio. It is a basic report that indicates which securities are in the portfolio, their original cost, current value, gain or loss, and perhaps some security statistics such as dividend yield, price-earnings ratio, or beta. A current holdings report for Portfolio Record Keeper is shown in Figure 4.

The holdings by lot report breaks down the composition report into finer increments, indicating each purchase at a specific date and price. This provides a clear, detailed history of your transactions and provides guidance for selecting which lots to sell to manage taxes. In Figure 5, you can see that Investor's Accountant allows users to mix open or closed positions in its holdings by lots report.

Cash portfolio status reports display the cash balance tied to the holdings within a portfolio. This report is helpful in determining the portfolio's security purchasing power.

Tax schedules pertain to the Schedule B and Schedule D reports. Designed for computing interest and

**Figure 6.**  
**Capital Gains Report From Quicken**



dividends received from a portfolio, Schedule B reports allow you to estimate tax debt (or credit) before year-end statements arrive. Tax Schedule D reports compute long- and short-term capital gains and group assets that will yield capital gains with tax liabilities. If you are going to rely on your portfolio management program to produce these schedules, make sure that adjustments can be made should tax laws change regarding factors such as short- or long-term holding periods in the future. Ideally, the program should also track foreign tax withheld on your securities to help ensure that proper credit is accounted for when filing out your taxes. Tax reports are provided for a given tax year, so programs generally include a dialog to select a given year to report upon. Figure 6 depicts a capital gains report using Quicken.

The projected cash flow report serves as a forecast of the expected portfolio cash income from dividends, interest, and bond maturities. This report is useful for estimating retirement income and allows you to structure asset holdings based on future needs.

The issue of flexibility comes into

play with the options of customized reports and batch processing capabilities. Customization choices range from content-related, such as time period, to cosmetics-related, like column and row headings. Batch, or group, processing simply involves completing multiple print jobs of different types of reports at one time.

### Performance Reports

The section of the grid entitled performance reports depicts the various ways a program summarizes how well your investment holdings have fared. A basic part of the portfolio management process is to determine and analyze performance and, therefore, this section should be studied carefully. The number of performance reports offered help some programs stand out from their competitors. The level of performance reports available is discussed in the brief program summaries that follow.

A program that provides reports for securities, industries, and asset classes will not only give you the performance of each segment, but also will provide portfolio allocation analysis. Some programs allow for an examination among various asset classes—such as

domestic or foreign equities, bonds, or cash—while others provide industry breakdowns.

It is also important to find a program that has the ability to produce reports covering single and multiple portfolios. You will want a program that addresses the diversified aspects of all your holdings for all your portfolios, rather than one that can only concentrate on a single portfolio.

All of the programs in this comparison provide a return for the current holding period, which examines gain or loss from the time the security is purchased. Most programs now also offer returns for designated periods, called between-period returns in the grid. Programs that feature the ability to designate time periods allow you to monitor security performance during a known market environment, as well as to examine all your securities over the same time period. To designate time periods, a program must be able to store snapshots of your portfolio holdings and values at specific points in time and not just the current positions and prices. Some programs such as Reeeally! can automatically create a price history from free Internet data sources and use the history to display portfolio returns over time. Figure 7 shows Reeeally!'s interactive window for displaying historical portfolio performance.

Portfolio return reports paint the clearest picture of how well your investment holdings have performed. However, it is important to understand which type of return is best for the individual investor. Both a value-weighted (also referred to as a dollar-weighted) internal rate of return (IRR) and a time-weighted rate of return can be calculated by portfolio management software. But which one is right for your analysis?

For the individual investor looking to gauge the true performance of a personal portfolio, the internal rate of return is desired because it represents the rate of return earned by your investments. The internal rate of return is both a value-weighted and time-weighted calculation because it con-



siders the time when inflows and outflows are made to the portfolio, the amount of these flows, and the combined impact upon the overall rate of return. The time-weighted return is most often used to analyze the performance of investment decisions made by a portfolio or money manager. The time-weighted calculation directly ignores the impact of any cash added or removed from the portfolio because the manager most often does not have control over such events. However, an individual not only has control over these inflows and outflows, but also impacts the portfolio rate of return and portfolio value. Look for applications that offer both returns, but be sure to check for the internal rate of return. Captool's portfolio report presents both the time-weighted return and internal rate of return, as illustrated in Figure 8.

When a program provides tax-adjusted returns, this simply means that it generates pre- and aftertax returns. These programs automatically calculate the tax liabilities of your transactions and report their impact on the rate of return of the securities and portfolios.

**Figure 8.**  
**Portfolio Return With Captool**

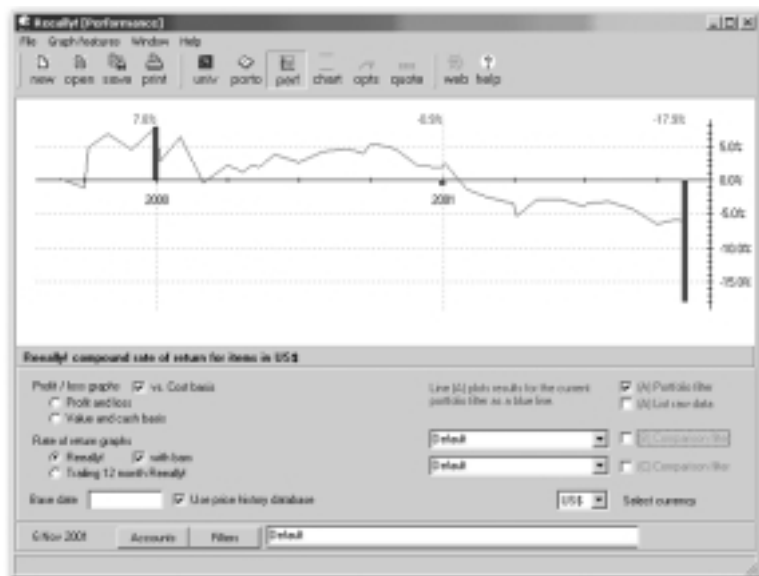
	06/25/99 09/30/99	12/31/99 09/30/00	12/31/00 09/30/01	06/30/01 09/30/01
Start Value	0.00	66,979.59	67,064.50	74,462.53
Net Additions	75,000.80	0.00	0.00	0.00
Income Distributions	4,056.80	3,086.37	130.00	40.00
Expenses & Fees	0.00	0.00	0.00	0.00
Period Capital Gains	-13,026.42	-26,060.38	-18,096.82	-8,465.25
Taxable Yld/Field	0.00	0.00	0.00	0.00
End Value	66,027.58	66,027.58	66,027.58	66,027.58
Mgmt. Fees	0.00	0.00	0.00	0.00
Estimated Taxes	2,546.37	2,250.10	37.20	12.40
Commissions	150.00	80.00	0.00	0.00
Excluded Income	0.00	0.00	0.00	0.00
Excluded Gains/Losses	0.00	0.00	0.00	0.00
Excluded Value	0.00	0.00	0.00	0.00
IRR-ROI				
Before Taxes	-11.96%	-25.79%	-18.49%	-11.32%
After Taxes	-18.08%	-27.86%	-18.62%	-11.33%
IRR-ROI (annualized)				
IRR-ROI Before Taxes	-5.6%	-15.80%	-23.90%	-37.92%
IRR-ROI After Taxes	-7%	-17.83%	-23.98%	-37.96%
Time Wtd. ROI				
Before Taxes	-11.96%	-25.6%	-18.49%	-11.32%
Time Wtd. ROI (annualized)				
Time Wtd. ROI Before Taxes	-5.5%	-15.80%	-23.92%	-37.92%

Programs that follow AIMR standards adhere to the accounting and presentation standards established by the Association of Investment Man-

agement and Research. These include: calculating a total rate of return, providing year-by-year rates of return, and allowing for consideration of portfolio management costs.

Useful reports are a key consideration in selecting a program. If a demo of the program you are considering is not available, request that the company send you printouts of the available reports using a sample portfolio.

**Figure 7.**  
**Reeally!'s Interactive Window for Historical Performance**



## Data Support

It is common for portfolio management programs to offer a direct connection to an on-line service for price updates. The comparison grid indicates the information services supported by each program. The grid also shows the various formats supported for exporting and importing information. In most cases this refers only to the transfer of security price information.

## Ease of Use

The great intangible aspect involved in selecting a portfolio management

*(continued on p.17)*

# PRODUCT COMPARISON: PORTFOLIO MANAGEMENT SOFTWARE

Program Name		Capital Gainz 6.0	Captool Individual Investor 1.59
Company		AlleyCat Software, Inc.	Captools Co.
Telephone		919/542-6117	800/826-8082
Web Site		www.alleycatsw.com	www.captools.com
E-Mail Address		dlcohen@alleycatsw.com	sales@captools.com
Price (AAIL Member Discount)		\$69.00 (10%)	\$249.00 (20%)
Demo Available (Cost)		✓ (free via Internet)	✓ (free via Internet)
Platform (DOS, Mac, Windows)		Windows	Windows
Maximum Portfolios/Securities per Portfolio		999/unlimited	unlimited/unlimited
Maximum Securities/Transactions per Security		unlimited/unlimited	unlimited/unlimited
Securities/ Assets Handled	Cash/Stocks/Mutual Funds	✓	✓
	Bonds (Fixed/Variable/Zero/PIK)	✓ (fixed/variable/zero only)	✓
	Annuities		✓
	Options/Futures/Warrants		✓
	Real Estate/Partnerships		✓
	User-Defined		✓
Security Classification	Identification (Name/Ticker/CUSIP)	✓	✓
	Account Number/Management Firm	✓	✓ (account no. only)
	Asset Class (Pre-Defined/User-Defined)	✓	✓
	Industry (SIC Codes/User-Defined)	✓ (user-defined only)	✓
Transactions Handled	Deposit/Withdrawal; Buy/Sell	✓ (buy/sell only)	✓
	Short/Cover	✓	✓
	Margin	✓	✓
	Receive/Deliver Security		✓
	Return of Capital		✓
	Dividends (Cash/Stock/Splits/Reinvest)	✓	✓
	Interest Income	✓	✓
	Bond With Discount/Premium	✓	✓
	Treatment of Fees/Commissions	✓	✓
Security Lot Assignments (Avg.Cost/FIFO/Specific Lot)		✓	✓
Reports	Current Holdings	✓	✓
	Holdings by Lots	✓	✓
	Cash Portfolio Status	✓	✓
	Tax Schedules (Interest/Dividend/Capital Gains)	✓	✓
	Projected Cash Flow		✓
	Customized Reports		✓
	Batch Reporting		✓
Performance Reports	Security/Industry/Asset	✓	✓
	Portfolio (Single/Multiple)	✓	✓
	Holding Period/Between-Period Returns	✓	✓
	Value-Weighted IRR/Time-Weighted Returns	✓	✓
	Tax-Adjusted Returns		✓
	Benchmark Comparison		✓
	Follows AIMR Standards		✓
Data Support	Data Services Supported	Internet	Internet
	Import Formats Supported	comma-delimited	ASCII, quote-, comma-delimited
	Export Formats Supported	comma-delimited	ASCII, quote-, comma-delimited



# PRODUCT COMPARISON: PORTFOLIO MANAGEMENT SOFTWARE

Program Name		Quicken 2002	Reeally! Pro 1.387
Company		Intuit, Inc.	Mantic Software Corp.
Telephone		800/446-8848	800/730-2919
Web Site		<a href="http://www.quicken.com">www.quicken.com</a>	<a href="http://www.manticsoft.com">www.manticsoft.com</a>
E-Mail Address			mantic@manticsoft.com
Price (AAll Member Discount)		\$29.95(Basic); \$59.95(Deluxe)	\$150(Standard); \$525(Pro)
Demo Available (Cost)			✓ (free via Internet)
Platform (DOS, Mac, Windows)		Windows, Mac	Windows
Maximum Portfolios/Securities per Portfolio		1,000+/1,500+	unlimited/unlimited
Maximum Securities/Transactions per Security		1,500+/unlimited	unlimited/unlimited
Securities/ Assets Handled	Cash/Stocks/Mutual Funds	✓	✓
	Bonds (Fixed/Variable/Zero/PIK)	✓ (fixed/variable/zero only)	✓ (fixed/variable/zero only)
	Annuities		✓
	Options/Futures/Warrants	✓ (options only)	✓ (options/futures only)
	Real Estate/Partnerships		✓
	User-Defined		✓
Security Classification	Identification (Name/Ticker/CUSIP)	✓ (name/ticker only)	✓ (name/ticker only)
	Account Number/Management Firm	✓	✓ (account no. only)
	Asset Class (Pre-Defined/User-Defined)	✓	✓ (pre-defined only)
	Industry (SIC Codes/User-Defined)		✓ (user-defined only)
Transactions Handled	Deposit/Withdrawal; Buy/Sell	✓	✓
	Short/Cover	✓	✓
	Margin	✓	✓
	Receive/Deliver Security	✓	✓
	Return of Capital	✓	✓
	Dividends (Cash/Stock/Splits/Reinvest)	✓	✓
	Interest Income	✓	✓
	Bond With Discount/Premium	✓	✓
	Treatment of Fees/Commissions	✓	✓
Security Lot Assignments (Avg.Cost/FIFO/Specific Lot)		✓ (FIFO/specific lot only)	✓ (FIFO/specific lot only)
Reports	Current Holdings	✓	✓
	Holdings by Lots	✓	✓
	Cash Portfolio Status	✓	✓
	Tax Schedules (Interest/Dividend/Capital Gains)	✓	✓
	Projected Cash Flow	✓	
	Customized Reports	✓	
	Batch Reporting		
Performance Reports	Security/Industry/Asset	✓ (security/asset only)	✓
	Portfolio (Single/Multiple)	✓ (single only)	✓
	Holding Period/Between-Period Returns	✓	✓
	Value-Weighted IRR/Time-Weighted Returns	✓ (value-weighted only)	✓
	Tax-Adjusted Returns	✓	
	Benchmark Comparison	✓	✓
	Follows AIMR Standards		✓
Data Support	Data Services Supported	Internet	Internet
	Import Formats Supported	QIF, OFX	ASCII
	Export Formats Supported	QIF, ASCII, tab-delimited, Lotus	ASCII



(continued from p.13)

program centers around how easy the program is to use. In general, there is a trade-off between a simple, easy-to-use interface and a strong set of portfolio management and analytical features. The more advanced programs seem to bring along an extensive interface with their highly evolved skill levels.

When considering how easy the program is to learn, also consider how easy and quick it is going to be to perform your normal maintenance tasks, such as entry of purchases and sales and the reinvestment of dividends. When falling in love with a program's extensive coverage, remember that a longer learning curve will most likely be involved.

As stated, no area of analysis warrants getting a demo more than portfolio management. You can check out the program's interface and consider how easy it is to maneuver around in the program. Few demo versions come with instructions, so browse the Web site for any help files and try E-mailing questions to the vendor's technical support staff to test them for possible future reference.

### Capital Gainz

Capital Gainz is a general-purpose portfolio application, providing the type of analysis conducted by the typical investor. AlleyCat released the program a few years ago and it quickly became one of the more popular portfolio management programs, developing somewhat of a cult following within the individual investor market.

Capital Gainz is geared toward the tracking and analysis of stock, mutual fund, and bond portfolios. It is quite easy to use and features two main menus for entering transactions (the primary menu entitled Activity) and adding securities data.

All of the major holdings reports are present along with portfolio performance reports for individual securities, industries, and asset classes. Reports can be generated for multiple portfolios and can be developed to

analyze returns between designated time periods. Capital Gainz calculates the simple profit or loss for a given security or portfolio as well as determining both the value-weighted internal rate of return and the time-weighted rate of return. With the program geared toward individuals, no special effort was made to explicitly follow AIMR performance presentation standards, but all of the calculations and procedures appear to be in order. However, two notable features that are missing are the calculation and tracking of benchmark indexes and a report or return calculation that considers the impact of taxes on your rate of return. The program does not ship with a manual, relying instead upon a detailed on-line help system.

### Captool Individual Investor

Captool Individual Investor continues to be among the best choices for the investor looking to monitor and evaluate their portfolio holdings. The Captool stable of programs also offers a more advanced set of applications for institutional investors and the professional ranks.

The lead horse in this stable, Captool Individual Investor is priced at \$249. The Individual Investor program is currently at version number 1.59 of its release. Captool Global Investor, a version designed to include foreign-denominated securities in a common portfolio, has a price tag of \$499.

Captools has recently instituted a new licensing policy for the downloading of program updates. Historically, individuals who purchased the software also received a license, which allowed them to download future updates of the program free of charge. However, Captool Individual Investor and Global Investor licensees who want to continue to download updates a year after obtaining their original license, must now update that license to obtain an additional 12 months of update installation rights. An updated license is \$60 for Individual Investor users and double that for Global Investor users.

Captool's blanket coverage of secu-

rities and transactions is the most complete of all the programs surveyed. Report capabilities are top-notch and performance measures are, again, the most extensive yet. And when it comes to user-defined features, there is not much more a user could ask for. The spreadsheet-like main page is crisp, but some of the old trappings still remain—one such example is the infamous transaction codes, which are still utilized in the program's transaction-entry interface.

As for price updates, data can be obtained using the Internet or several subscription-based data vendors. With the current version, you can also get data via broker/dealer download interfaces. Names like Ameritrade, Charles Schwab, Fidelity, Merrill Lynch, and TD Waterhouse support such interfaces.

Captool is a powerhouse application that shed none of its complexity when it moved to the Windows platform. This is not your basic recordkeeping and personal finance program—this is a portfolio management and performance evaluation power tool. It is a serious program for the serious investor. Captool is not for the meek; only a dedicated individual with time to learn the system and how it operates will come close to utilizing the full power of this application.

### Investor's Accountant

As previously reported in *Computerized Investing*, new Windows versions of Hamilton Software's two portfolio management titles have arrived [consult the July/August 2001 issue's New Products/Update article; available on our Web site]. The new programs come complete with new analysis measurements and several added features. The new Investor's Accountant model for 2001 also has a lower sticker price. Unfortunately, ease-of-use still remains an issue.

The top-shelf product in the Hamilton general store, Investor's Accountant is a comprehensive portfolio system that now features unlimited tracking capabilities for portfolio

lios, securities, and transactions. Security identification has been beefed up to some degree, and the formidable number of securities and transactions handled has remained constant with the program's migration to Windows. The program covers all the bases with regard to holdings reports and features performance reports for your securities and industry groups. The reports can be measured between any two points in time. Investor's Accountant can generate both an internal rate of return and three AIMR-sanctioned time-weighted rates of return. Return reports can be presented before or after taxes. However, the reports still cannot be customized.

Hamilton Software has also updated the company's mechanics for obtaining demo copies of their programs. They recently made demo versions of both products available for downloading from the Web site. In their continued customer support efforts, Hamilton Software has also established a special E-mail address mailbox specifically set up for AAI member inquiries (see grid).

Some extra functions still on board Investor's Accountant software are automatic updates and a graphical analysis package. The alerts signal you when price, value or percent limits are hit, just before dividend dates, and when options are about to expire. Security performance and market trends can also be followed through the program's graphical analysis, which includes moving averages and price-volume.

Recently added monitoring capabilities, coupled with these added features and solid reporting options, help rank the new Windows-based Investor's Accountant among the upper class of applications in its field.

### Microsoft Money 2002

In late August 2001, software giant Microsoft released the newest version of their popular Windows software program Money 2002. Money 2002 is one of two multi-dimensional programs included in this comparison—Quicken being the other—that are

designed to assist individual investors with the full range of money management activities. Money 2002 provides portfolio tracking measures and handles basic personal finance tasks as well.

Money and Quicken software have always shared a similar look and feel. Another similarity is that Money 2002, like Quicken, comes in two different models—the standard version, designed to assist in the overall managing of one's finances, and the deluxe package, now referred to as Money 2002 Deluxe. Money 2002 Deluxe includes Money 2002 as well as additional financial planning and tax preparation modules and several other new add-on tools. Both Money 2002 programs feature tax integration capabilities with TaxCut software from H&R Block. A total package version of Money 2002 called Suite, includes the TaxCut software. Money 2002 Suite retails for \$94.95.

Previous users of the program will receive a rebate of \$10.00 (Money users) or \$20.00 (Money Deluxe or Suite users) from Microsoft after purchasing the new version of Money.

Money 2002 handles a fair amount of securities and offers extensive coverage of transactions. Most of the basic holdings reports are present and the performance report options are rather substantial: security, industry, and asset class performance reports and a time-weighted rate of return are available. Reports can be generated between periods and for multiple portfolios. Reports can also be customized by the user and run in batches.

Money 2002 features a step-by-step, audible setup assistant that allows users to set up a priorities profile that then personalizes Money software to the users financial needs and goals. Users can tailor their Money software according to 17 different categories listed in such groupings as investing, planning, and, taxes. Investing priorities include "invest for retirement" and "track your investments day-to-day." The 17 priorities, developed by the Money team and American Ex-

press Financial Advisors, target the most common areas of financial concern identified by surveyed software users.

This year's release of Microsoft Money 2002 honors the company's 10th anniversary of making the financial software. The program has come a long way—especially with the last couple of updates. There are still some limitations, but the 2002 Deluxe model is a solid program that is as easy-to-use as ever. Money 2002 will suit the portfolio needs of the average investor and help in new ways and areas.

### NAIC Portfolio Record Keeper

In the Spring of 2000, NAIC and Quant IX Software released a new version of their popular portfolio management software. Where previous versions were launched under the name Personal Record Keeper, the new version of the software is now referred to as NAIC Portfolio Record Keeper. [Consult the New Products/Update article found in the November/December 2000 issue of *Computerized Investing*, available on our Web site, for more on NAIC Portfolio Record Keeper version 3.0.].

The slight name change is offset by the dramatic change in the software's functionality. The new layout is crisp and very neat—a brighter, cleaner interface over previous dreary offerings. Under the new name, the current version is also much more robust in its tracking and evaluation offerings.

Portfolio Record Keeper (PRK) handles the complete roster of securities and the majority of transactions surveyed in the comparison. It tracks an unlimited number of portfolios, each tracking an unlimited number of securities. The program covers all of the main holdings reports; reports can be customized and run in batches. Performance reports include those for securities, industries, and asset classes. Both the value-weighted internal rate of return and time-weighted returns utilizing AIMR-compliant methodologies are present

**Table 1.**  
**Portfolio Management Software Ratings**

Criteria are rated on a scale of one to five, with five denoting the best score. Performance rates how well the program or service accomplishes its stated objectives; Documentation rates the quality of the printed materials, on-line help, and manufacturer support; and Ease of Use rates how simple the program is to install, learn, and operate.

	Performance	Documentation	Ease of Use	Price (AAII Discount)	Pros	Cons
<b>Capital Gainz 6.0</b> <a href="http://www.alleycat.com">www.alleycat.com</a>	3	2	4	\$69.00 (10%)	+Calculates profit, IRR, and time-weighted returns +Specify periods for reports +Easy to report multiple portfolios	-Limited to stocks, mutual funds and bonds -Lacks printed manual -Limited graphical reports
<b>Captool Individual Investor 1.59</b> <a href="http://www.capttools.com">www.capttools.com</a>	5	4	3	\$249.00 (20%)	+Calculates profit, IRR, and time-weighted returns +Wide range of securities & transactions +Customizable reports	-Flexibility = more complex operation -Charge for updates after one year
<b>The Investor's Accountant 2000</b> <a href="http://www.hamiltonsoftware.com">www.hamiltonsoftware.com</a>	4	3	3	\$295.95 (25%)	+Calculates profit, IRR, and time-weighted returns +Wide range of securities & transactions +Specify periods for reports	-Flexibility = more complex operation
<b>Microsoft Money 2002</b> <a href="http://www.microsoft.com/money">www.microsoft.com/money</a>	4	4	5	\$34.95(Standard); \$64.95(Deluxe)	+Strong integrations with Web tools +Setup assistant to help get started +Customizable reports	-Not all investors want/need checkbook functions
<b>NAIC Portfolio Record Keeper 3.0.9</b> <a href="http://www.quantixsoftware.com">www.quantixsoftware.com</a>	5	3	4	\$69.00(non NAIC); \$59.00(NAIC)	+Wide range of securities & transactions +Wide range of reports +Price alerts monitoring system	-Multi-portfolio reports not tax-adjusted
<b>Portfolio Analyzer 2000</b> <a href="http://www.hamiltonsoftware.com">www.hamiltonsoftware.com</a>	3	3	2	\$99.95	+Wide range of securities & transactions +Specify periods for reports	-Flexibility = more complex operation -Lacks allocation & value-weighted return calculation
<b>Quicken 2002</b> <a href="http://www.quicken.com">www.quicken.com</a>	4	4	5	\$29.95(Basic); \$59.95(Deluxe)	+Strong integrations with Web tools +Setup assistant to help get started +Pulls in transactions from major on-line brokers	-Not all investors want/need checkbook functions
<b>Reeally! Pro 1.387</b> <a href="http://www.manticsoft.com">www.manticsoft.com</a>	4	2	3	\$150(Standard); \$25(Pro)	+Wide range of securities & transactions +Wide range of reports +Graphical performance charts	-Lacks projected cash flow report -No tax-adjusted returns

with this new program. Multi-portfolio reports can be generated between periods, but cannot be adjusted for taxes—the only real miss with this program.

Portfolio Record Keeper features a price alerts monitoring system that automatically checks updated prices against user-specified high/low price targets and sends a warning message notifying the user of the event. These alerts also provide users with additional data regarding the affected security.

One final change in the program definitely worth mentioning is the

price, which has dropped from \$99 to a very reasonable price point of \$69 (an even better bargain at \$59 for members of NAIC).

Compared to prior releases, this new NAIC-endorsed portfolio manager has received quite a handsome facelift. The makeover clearly places the Portfolio Record Keeper among the leaders in the portfolio management clubhouse.

### Portfolio Analyzer

Portfolio Analyzer, the other member of the Hamilton Software family, serves as the younger sibling of The

Investor's Accountant program.

As an elementary portfolio manager, Portfolio Analyzer features similar security and transaction coverage as that of its larger teammate. The major differences come into play with the reports and the versatility of those reports. Security allocation, single and multiple portfolio, and value-weighted return reports are the performance reports that can be produced by Portfolio Analyzer. Performance can be measured only for the time period the security is held.

Portfolio Analyzer is another general-purpose portfolio manager.

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## Quicken 2002

Quicken aims to be a complete personal finance assistant with checkbook management, budgeting, and tax planning. Two versions of Quicken are available—Basic and Deluxe. Deluxe includes all that the Basic version offers, as well as several additional analysis modules—portfolio analyzer, mutual fund finder, stock screener, a 401(k) tracker, among others. Previous users of the program will receive a rebate of \$10.00 (Basic users) or \$20.00 (Deluxe users) after purchasing the new Quicken.

After countless years of annual upgrades, it is difficult to believe that Intuit could come up with additional features to stuff into Quicken, yet the investment section of the program has been strengthened. Intuit has added a portfolio analyzer that helps to describe your portfolio holdings, performance, asset allocation, risk profile, and tax implications. Support for IRAs, employee stock purchase plans, and short sales has been incorporated. And the program plugs into the Web to incorporate its “One-Click Scorecard,” which helps to analyze a stock. Tax planning has been enhanced to include a capital gains tax estimator that examines your tax situation to consider capital loss carryovers and employee stock purchase and option plans.

Quicken, like Microsoft Money, is both a portfolio management program and a personal finance application. It prints checks, categorizes all spending, and contains functions for online banking and bill payments, as well as tracking bank and credit card accounts.

Quicken includes the basic holdings reports and the performance reports for security and asset class for single portfolios only. These reports can be customized and generated between periods. Quicken only generates a value-weighted rate of return. Sched-

ules B and D tax reporting is also available.

Many of the additional modules and tools that have long characterized Quicken products remain. You'll find a WebEntry module for entering financial information into your Quicken program via the Web and a QuickEntry program that lets you enter transactions into your register without having to open Quicken. Also, Intuit's TurboTax program has its own site, which is now where most of the tax preparation and planning takes place.

Quicken 2002 offers an improved portfolio manager for tracking investments and, at the same time, offers assistance in keeping up with various personal finance issues. Investors considering Quicken 2002 should obtain the Deluxe version, which provides a wider range of analytical tools.

## Reeally! Pro

Reeally! from Mantic Software offers quality features that help place it among the top new programs in the field. Reeally! comes in two versions, Standard and Pro. The Standard program is for portfolios consisting of only stocks and mutual funds and costs \$150. The Pro version is the more practical of the two, supporting portfolios with a wide variety of assets. It is priced at \$525.

Reeally! Pro offers solid support of securities including bonds, options and futures. However, the two programs have several limitations when it comes to basic security identification. Reeally! does not provide CUSIP listing functions nor does it allow for SIC industry code classifications.

Transactions handled are also quite solid, with Reeally! offering the complete array of options including short/cover, margin, and receive/deliver. Two of the three main security lot methods—FIFO and specific lot—are available and Reeally! boasts a user-

defined function called “transaction tagging” that allows users to implement any lot scheme desired.

The strongest set of features found in the Reeally! program is the program's reports and returns module, encompassing basic holding reports, performance returns, and graphical performance charts.

All the standard holding reports are present and Reeally! calculates a rather unique combination return for performance. It incorporates both the AIMR-standardized rules for time-weighted returns and similar formula operations found in the IRR value-weighted return. The returns module also provides detailed charting capabilities. Users can graph, compare, and print performance measures for an entire portfolio or any one of three different filtered subsets—which can be viewed side-by-side. This type of comparison is done via the same tagging method mentioned above. Reeally! features five different return graphs in all.

An in-depth discussion of the various returns and graphs is provided in the program's Help system.

Two clear misses found in the report module's capabilities are the inability to adjust returns for taxes and the lack of a projected cash flow report. Another negative is that the reports cannot be customized.

Reeally! is a very good portfolio management program that is quite strong on functionality, but a little lacking when it comes to basic tracking features—such as security identification—that are vital elements needed by the average individual investor. Having said all that, Reeally! is indeed a solid application that breathes new life into the portfolio management software arena.

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