



Portfolio Management Software Programs

By Cara Scatizzi

No matter the size of a portfolio or the depth of investment knowledge, every investor needs a portfolio management tool to track investments and generate accurate performance reports. Portfolio management allows investors to organize investments, track portfolio performance, and assess a portfolio's asset mix; most will also offer assistance at tax time. The system will also track buys, sells, dividends, splits and other transactions within a portfolio for a variety of securities. Performance data can be measured over various timeframes and most programs will allow users to graph and print reports.

This comparison examines portfolio management software systems designed to help you accomplish these tasks.

Since our last comparison of these systems in the July/August 2005 issue, Capttools has discontinued its portfolio management tool for individual investors. They now only offer Capttools/net for professional investors. Current Capttools users may wish to read the sidebar on page 10 for other programs that allow you to transfer your existing portfolio data. In addition, Really! Pro is no longer in existence.

The Features

Portfolio management systems can be broadly categorized as three types: software-based, Web HTML-based, and Web applet-based.

Software-based portfolio management systems, in general, will offer the most sophisticated tools, greatest flexibility, and the ability to generate more extensive reports. You install the software programs to your hard drive, where all analysis takes place. Security price updates are usually made via the Internet. You will pay for the software and possibly for on-going support and updates.

HTML-based systems are the most common on the Web and also tend to

be the least sophisticated. The system is run entirely within your Web browser and reports are limited to what is displayed within your browser. These systems are mostly free of charge and widely available on the Internet. Over the past few years, these systems have become more useful, but still do not stack up to the software options.

Alternatively, some on-line services have users download a small program know as an "applet" from their Web site. The applet is installed on your hard drive, and analysis and report generation is performed locally on your computer using data from an Internet feed. Applet-based systems are more likely to require a paid subscription that usually provides access to stock and mutual fund data and screening. Applet-based systems usually offer greater functionality than HTML-based systems.

In the past few years, the Web-based systems, especially the applet-based ones, have become easier to use and more sophisticated in order to compete with the software programs. However, neither type of Web-based portfolio manager can yet replace the best software-based systems. Most Web-based services have limited capabilities for reporting on realized gains and losses and investment income; return calculations are generally less powerful as well.

The Web-based tools offer speedy data and news retrieval and are best considered as a companion or complement to your software program. They are very helpful in keeping you abreast of what is happening with your portfolio and notifying you of any events that might affect it.

This comparison examines only the software-based portfolio management systems geared toward the typical individual investor. All of the software programs have Windows-based versions, while Intuit and Portfolio Systems, Inc. offer both Macintosh and Windows versions of their portfolio

software. We examine Web-based systems in a separate product comparison (see the July/August 2006 issue of *Computerized Investing*).

Your Shopping List

The comparison grid on pages 12 to 15 details the features and functionality of each program. When shopping for a portfolio management program there are certain features you will want to consider including: costs, types of securities handled, transactions handled, reporting strength and flexibility, data updates, and ease of use.

Costs

Costs of the program go well beyond the retail price tag. Time spent learning how to use a program, configuring it to your data source, and entering trading histories and individual security information should be considered part of your overall cost. In the long run, these issues alone far outweigh the importance of the initial price of a program.

To be sure you are making the correct choice for your needs, take your time and consider all factors, including those beyond out-of-pocket costs. When analyzing your situation, consider not only your current needs, but any possible future needs as well. Many vendors will offer demo versions of the programs, usually for free or for a reasonable cost. This is a great way to try out the program before purchasing it. All of the vendors in this comparison offer some sort of demo. The demo may not be fully functioning, but will still allow you to see if the program is a good fit for you.

Securities/Assets Handled

When looking at the scope of securities accommodated by any prospective program, consider not only the securities or assets that you currently hold, but also those you might want to purchase in the future. All programs cover the basic security classes—stocks,

bonds, mutual funds, and cash.

Some programs will specialize in one area, such as options or mutual funds. While the program in question may cover one area well, it may not be flexible enough to track other types of securities should the scope of your investment holdings expand.

If your portfolio includes specialized securities or assets, such as derivatives, pay close attention to whether or not the program handles them. Other sections within the comparison grid also 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 diversification within a particular asset class.

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 program you are considering 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 margin are important data points and the programs vary in their coverage.

Related to the issue of transactions is the ability to specify security lot assignments for any given transaction. Security lot assignments are detailed in the comparison grid immediately below the transactions section. A lot is the total number of units involved in a given trade. This feature can be very important to investors interested in tax liability issues and tracking performance.

If you reinvest dividends from your mutual funds and stocks, you will find yourself tracking 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 tax exposure. These strategies include: first-in-first-out (FIFO), average cost, and specific

Importing Data From Captops

Captops, a *CI* top pick for portfolio management software programs in the past, is no longer offering its services to individual investors. For investors who used Captops and are looking at the daunting task of starting fresh with a new portfolio management tool, a few of the software programs in this year's comparison allow or will allow the importing of Captops data.

BetterInvesting Portfolio Manager

BetterInvesting promises that its Portfolio Manager will include the ability to import data directly from Captops in the near future. The current version includes the option (File, Import, Captops), but it is not functioning at this time. The company hopes to have the Captops Converter up and running in the next few months and will offer a free download to update the program.

Fund Manager

The makers of Fund Manager have posted import instructions on their Web site. Go to: www.fundmanagersoftware.com/captops_import.html. The step-by-step instructions take you through exporting Captop data to a CSV file, transferring the data to a formatted Excel file, and importing the data to Fund Manager in the correct format. While the process is not hard, the instructions must be followed closely. Buys, sells, dividends and splits can be imported. Splits are imported as a buy (buying the additional shares at \$0 per share for no commissions). Other transactions will have to be entered manually.

The imported transaction data was 100% accurate when compared to Captops transaction records. Once the data is imported, you must then retrieve prices from the Internet (go to Edit, then Internet Retrieve, then Prices). Make sure to download prices for the entire length of your portfolio's existence so the program will calculate the portfolio balance on specific dates accurately.

Also, if you imported dividends and splits from Captops, uncheck the "Retrieve Dividends" and the "Retrieve Splits" boxes or the data will appear twice in your portfolio.

One issue we faced concerned a stock that was bought out, meaning the ticker symbol was no longer valid. Fund Manager uses a variety of quote retrieval services to find historical prices. A stock that has changed ticker symbols or was bought out will no longer have historical price data from its services, so Fund Manager "interpolates" the price. For one stock, the interpolated price was off by \$2.61, in turn making our portfolio balance off by \$208.80. The portfolio balances matched again after the stock was sold. You can manually enter prices after you download them, so the problem can be fixed with a little attention to detail and time.

Portfolio Director and Option Money

Portfolio Systems does not currently offer a blanket solution for importing Captops data into either Portfolio Director or Option Money, but will help individuals who wish to do so via their outsourced technical support staff (sales@emmarah.com).

lot. Finding an application that handles all three lot assignment methods is key when looking at programs.

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. Vendors that offer different levels of their applications often use report flexibility to differentiate their products—one example in this comparison is Portfolio Systems, Inc., which offers Option Money and Portfolio Director. Portfolio Director is geared toward professional managers and features a range of performance reports, while Option Money is offered without these useful reports. 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.

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.

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.

The holdings by lot report breaks down the composition report into finer increments, indicating each purchase at a specific date and price. This gives a clear, detailed history of your transactions and provides guidance for selecting which lots to sell to manage taxes.

Tax schedules pertain to the Schedule B and Schedule D reports. Designed for calculating interest and 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 in the future regarding factors such as short- or long-term holding periods and capital gains tax rates.

Ideally, the program should also track foreign tax withheld on your securities to help ensure that proper credit is accounted for when preparing your taxes. Tax reports are provided for a given tax year, so programs generally include a dialog box to select a given year to report upon.

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 customized reports and batch processing capabilities. Customization choices range from content-related, such as time period, to cosmetics-related, like column and row headings or even font size. Batch, or group, processing simply involves completing multiple print jobs of different types of reports at one time. Batch reporting is typically found in products geared for institutional client reports.

Portfolio alerts highlight when a security has crossed some predetermined price threshold. Such an alert may highlight the need for investigation that might otherwise go unnoticed.

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. These options should be studied carefully. The

number and breadth of performance reports offered helps some programs stand out from their competitors.

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 also offer returns for designated periods (between-period returns). 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 of 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.

Portfolio return reports paint the clearest picture of how well your investment holdings have performed, so 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.

For the individual investor looking to gauge the true performance of a personal portfolio, the internal rate of return is the best gauge because it represents the rate of return earned by your investments. The internal rate of

(continued on p. 15)

PRODUCT COMPARISON: PORTFOLIO MANAGEMENT SOFTWARE

Program Name		BetterInvesting Portfolio Manager 5	Fund Manager 8.5
Company		Quant IX Software	Beiley Software Inc.
Telephone		877/275-6242	480/705-0129
Web Site		www.betterinvesting.org	www.beiley.com
E-mail Address		info@quantixsoftware.com	
Price		\$169	\$69 (Personal); \$295 (Professional)
Demo Available (Cost)		✓ (free)	✓ (free)
Platform (Mac, Windows)		Windows (32-bit Vista-compatible)	Windows (32-bit Vista-compatible)
Maximum Portfolios/Securities per Portfolio		unlimited/unlimited	Personal: unlimited/500, Pro: unlimited/2,000
Maximum Securities/Transactions per Security		unlimited/unlimited	unlimited/unlimited
Securities/ Assets Handled	Cash/Stocks/Mutual Funds/ETFs	✓	✓
	Bonds (Fixed/Variable/Zero/PIK)	✓	✓
	Annuities	✓	
	Options/Futures/Warrants	✓	✓ (options, futures)
	Real Estate/Partnerships	✓	
	User-Defined	✓	✓
Security Classification	Identification (Name/Ticker/CUSIP)	✓	✓
	Account Number/Management Firm	✓	✓
	Asset Class (Predefined/User-Defined)	✓	✓ (user-defined)
	Industry (SIC Codes/User-Defined)	✓	
Transactions Handled	Deposit/Withdrawal; Buy/Sell	✓	✓
	Short/Cover		✓
	Margin	✓	
	Receive/Deliver Security	✓	✓
	Return of Capital	✓	✓
	Dividends (Cash/Stock/Splits/Reinvest)	✓	✓
	Interest Income	✓	✓
	Bond (Discount/Premium/Amortization)	✓	
	Treatment of Fees/Commissions	✓	✓
Security Lot Assignments (Avg.Cost/FIFO/Specific Lot)		✓	✓
Automatic Security Lot Assignment		✓	✓
Reports	Current Holdings	✓	✓
	Holdings by Lots	✓	✓
	Tax Schedules (Interest/Dividend/Capital Gains)	✓	✓
	Projected Cash Flow	✓	
	Customized Reports	✓	✓
	Batch Reporting	✓	✓
	Alerts	✓	✓
Performance Reports	Security/Industry/Asset	✓	✓ (security, asset)
	Portfolio (Single/Multiple)	✓	✓
	Holding Period/Between-Period Returns	✓	✓
	Value-Weighted IRR/Time-Weighted Returns	✓	✓ (time-weighted)
	Tax-Adjusted Returns		
	Benchmark Comparison	✓	✓ (Professional version)
	Follows GIPS Standards	✓	✓
Data Support	Data Services Supported	Internet	Internet
	Imports Brokerage Transactions*	OFX, QFX	OFX, QFX, QIF, CSV, TXT
	Import Formats Supported*	ASCII, QIF, PRN, XLS, Captools in near future	Captools, OFX, QFX, QIF, PRN, CSV, TXT
	Export Formats Supported*	ASCII, QIF, PRN, XLS	ASCII, CSV, QIF

*Key to import/export formats: Open Financial Exchange – OFX, QFX; Quicken – QIF, PRN; Comma-Separated – CSV; Text File – TXT; Excel – XLS; ASCII; HTML – Internet Browser

PRODUCT COMPARISON: PORTFOLIO MANAGEMENT SOFTWARE

Program Name	Portfolio Analyzer 4.0.22	Portfolio Director 8.0
Company	Hamilton Software, Inc.	Portfolio Systems, Inc.
Telephone	800/733-9607	888/700-3715
Web Site	www.hamiltonsoftware.com	www.scscompany.com
E-mail Address		service@scscompany.com
Price	\$59.95	\$300/month
Demo Available (Cost)	✓ (free)	✓ (\$300)
Platform (Mac, Windows)	Windows (32-bit Vista-compatible)	Mac, Windows (32-bit Vista-compatible)
Maximum Portfolios/Securities per Portfolio	unlimited/unlimited	unlimited/unlimited
Maximum Securities/Transactions per Security	unlimited/unlimited	unlimited/unlimited
Securities/ Assets Handled	Cash/Stocks/Mutual Funds/ETFs	✓
	Bonds (Fixed/Variable/Zero/PIK)	✓
	Annuities	✓
	Options/Futures/Warrants	✓
	Real Estate/Partnerships	✓ (real estate)
	User-Defined	✓
Security Classification	Identification (Name/Ticker/CUSIP)	✓ (name/ticker)
	Account Number/Management Firm	✓ (account number)
	Asset Class (Predefined/User-Defined)	✓
	Industry (SIC Codes/User-Defined)	✓ (user-defined)
Transactions Handled	Deposit/Withdrawal; Buy/Sell	✓
	Short/Cover	✓
	Margin	✓
	Receive/Deliver Security	✓
	Return of Capital	✓
	Dividends (Cash/Stock/Splits/Reinvest)	✓
	Interest Income	✓
	Bond (Discount/Premium/Amortization)	✓
	Treatment of Fees/Commissions	✓
Security Lot Assignments (Avg.Cost/FIFO/Specific Lot)	✓	✓
Automatic Security Lot Assignment	✓	✓
Reports	Current Holdings	✓
	Holdings by Lots	✓
	Tax Schedules (Interest/Dividend/Capital Gains)	✓
	Projected Cash Flow	✓
	Customized Reports	✓
	Batch Reporting	✓
	Alerts	✓
Performance Reports	Security/Industry/Asset	✓ (security)
	Portfolio (Single/Multiple)	✓
	Holding Period/Between-Period Returns	✓ (holding period)
	Value-Weighted IRR/Time-Weighted Returns	✓
	Tax-Adjusted Returns	✓
	Benchmark Comparison	✓
Data Support	Follows GIPS Standards	✓
	Data Services Supported	Internet
	Imports Brokerage Transactions*	OFX, QFX
	Import Formats Supported*	CSV
Export Formats Supported*	ASCII, CSV	ASCII, XLS, HTML

*Key to import/export formats: Open Financial Exchange – OFX, QFX; Quicken – QIF, PRN; Comma-Separated – CSV; Text File – TXT; Excel – XLS; ASCII; HTML – Internet Browser

Quicken Premier 2007
Intuit, Inc.
800/811-8766
www.quicken.com
\$79.99 (Premier); \$69.99 (Mac)
✓ (free)
Mac, Windows (32-bit Vista-compatible)
1,000+/1,500+
1,500+/unlimited
✓
✓ (fixed/variable/zero)
✓ (options)
✓ (name/ticker)
✓
✓
✓
✓
✓
✓
✓
✓
✓
✓
✓
✓
✓
✓
✓
✓ (FIFO/specific lot)
✓ (FIFO/specific lot)
✓
✓
✓
✓
✓
✓
✓
✓ (security/asset)
✓
✓
✓ (value-weighted)
✓
✓
Quicken
OFX, QFX
OFX, QFX
ASCII, XLS, PDF

(continued from p. 11)

return is both a value-weighted and time-weighted calculation because it considers 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. Not only does an individual have control over these inflows and outflows, but they are also very common with retirement accounts and will have a large impact on the portfolio's rate of return. With the advent of automatic investing, investors are putting money into the market when it is up (and paying high prices for securities) and when it is down (and paying lower prices). It is important to take into account the various investment prices and holding periods in order to accurately measure your portfolio's performance. Look for applications that offer both returns, but be sure to check for the internal rate of return.

When a program provides tax-adjusted returns, this simply means that it generates pretax 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.

Programs that follow CFA Institute Global Investment Performance Standards (GIPS), formerly AIMR-PPS, adhere to the accounting and presentation standards established by the CFA Institute. These include: calculating a total rate of return, providing year-by-year rates of return, and allowing for consideration of portfolio management costs (for more information on GIPS, visit www.cfainstitute.org).

Data Support

It is common for portfolio man-

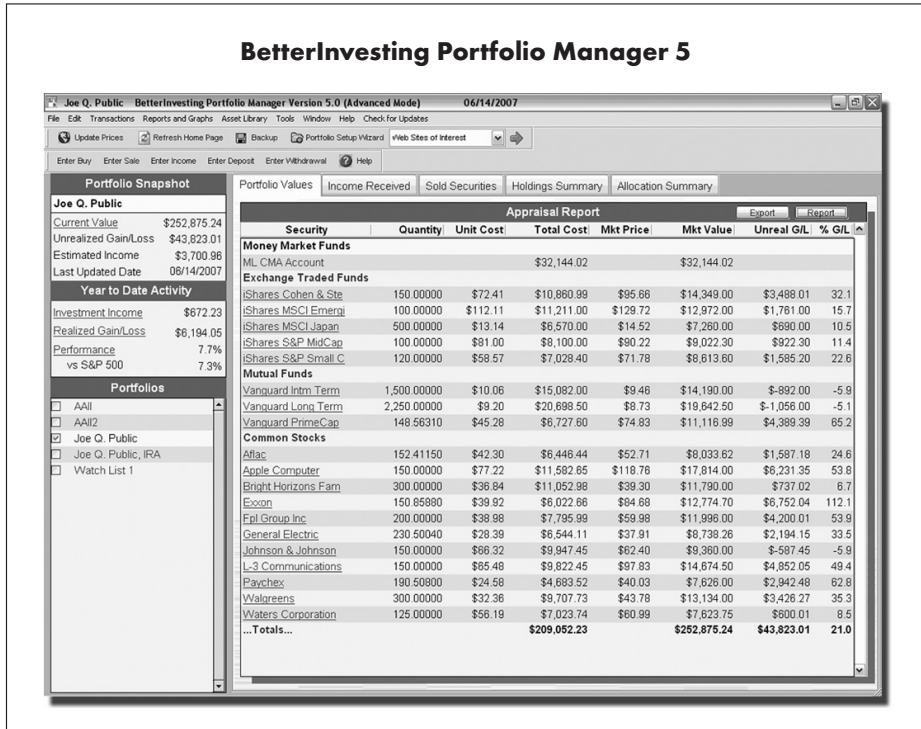
agement programs to offer a direct connection to an on-line service for price updates. The comparison grid indicates the information services supported by each program. The grid also shows the various formats supported for exporting and importing information. In most cases, this refers only to the transfer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

Programs that support OFX stand a good chance of importing transaction data from your on-line broker. The Open Financial Exchange (OFX, or sometimes referred to as QFX) specification allows for the electronic exchange of financial data between financial institutions, businesses and consumers via the Internet. OFX supports a wide range of financial activities such as banking, bill payments, and investment tracking—including stock, bond, mutual fund, and 401(k) account details. Twenty-one brokers in our 2007 On-Line Discount Broker Guide (January/February 2007 issue) support the OFX format, making it easier to pull in transaction data. Most programs need an account number and use the same login and password information you use to access the broker's Web site.

Note that your broker may only keep a limited history of your data on the OFX server. Also, brokers may vary in the data available for download via OFX. Some firms will only have buy and sell data, while others will include dividends and other transactions. Be aware, also, that these downloads may not always be 100% accurate. Be sure to manually check the transaction lists after importing to ensure accuracy.

For this comparison, we downloaded data from Scottrade and E*Trade to the programs that allowed OFX imports. Transaction lists were then compared to Scottrade and E*Trade account statements. Typically, the Scottrade import included accurate buy and sell data, but dividend data was hit or miss. E*Trade, on the other hand, had a better track record with dividend data. Neither offered perfect imports every time. Depending on the broker you use and types of

BetterInvesting Portfolio Manager 5



When falling in love with a program that has extensive coverage, remember that a longer learning curve will most likely be involved.

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 written 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.

The Programs



BetterInvesting Portfolio Manager

Previously called NAIC Portfolio Record Keeper and a top pick once again,

the BetterInvesting Portfolio Manager is a comprehensive portfolio management tool. You can track an unlimited number of portfolios and an unlimited number of securities in each portfolio. Securities handled include the typical cash, stocks, mutual funds, ETFs (exchange-traded funds) and options, as well as preferred stock, government and agency bonds, and tax-exempt bonds. The program handles transactions associated with these securities including purchases and sales, various

securities and transactions you have in your portfolios, your experience with importing data directly from a broker will vary.

Some applications will also allow you to import and export data from Quicken (QIF or PRN formats), as a comma-separated file (CSV), a text file (TXT), or an Excel file (XLS).

Finally, because of the popularity of Captools and its recent discontinuation, we noted the programs that have the ability to import transaction data from Captools. While it may be set up to be as easy as a click of a button, as BetterInvesting promises for the near future, you might encounter a complicated process. Either way, for Captools users, the ability to import the data is invaluable, especially for those with extensive trading and transaction histories. For more information on this, see the box on page 10.

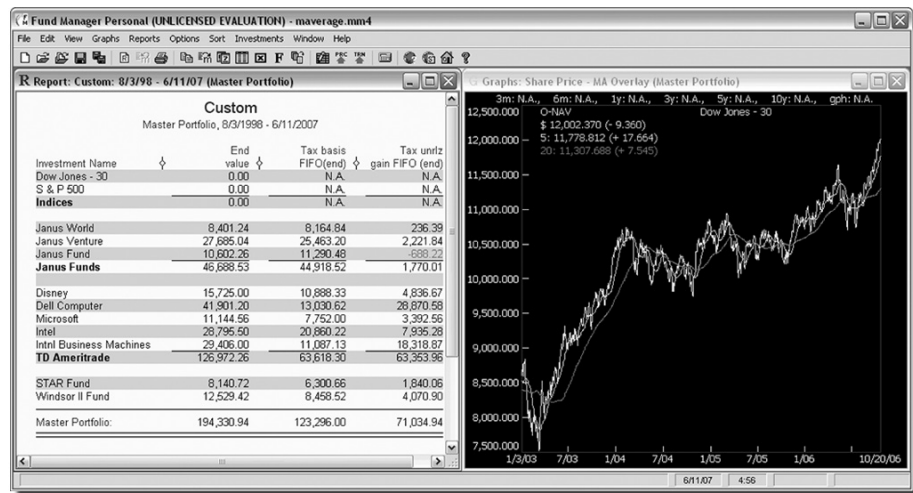
Ease of Use

The great intangible aspect involved in selecting a portfolio management 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.

Fund Manager Personal 8.5



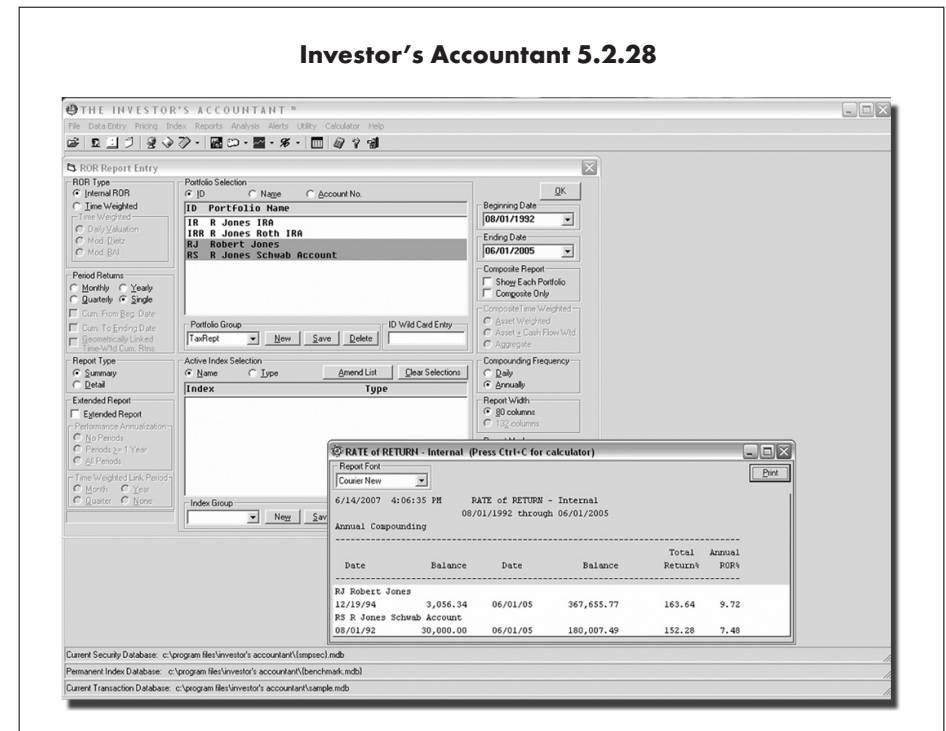
types of dividends, spin-offs, mergers and dividend reinvestment plans.

This latest version of Portfolio Manager has over 35 reports, 15 more than reported in our last comparison two years ago. You can see your portfolio's current value, unrealized gains and losses, income received, capital gain distributions, commissions paid, portfolio allocation and diversification, cash flow projections, performance measurements, asset maturity schedule, transaction ledger and tax-related reports.

Reports can be customized and run in batches. Both value- and time-weighted returns are calculated in CFA Institute compliant methodologies.

One drawback to the program is that Portfolio Manager offers the ability to download from only 12 financial institutions via OFX and QFX. However, some of the most popular brokerage firms are included, so a number of investors will be able to use that option. Portfolio Manager offers a wizard to assist with transaction imports, making the process relatively easy. Imports, however, were not always accurate and a few discrepancies were found in our test samples using Scottrade and E*Trade.

Transactions can also be entered



manually, a process that is simple but, for investors with large portfolios and extensive transaction histories, may be time consuming.

Portfolio Manager also offers portfolio alerts based on various price and volume targets.

BetterInvesting's Portfolio Manager is easy to use and provides a wealth of

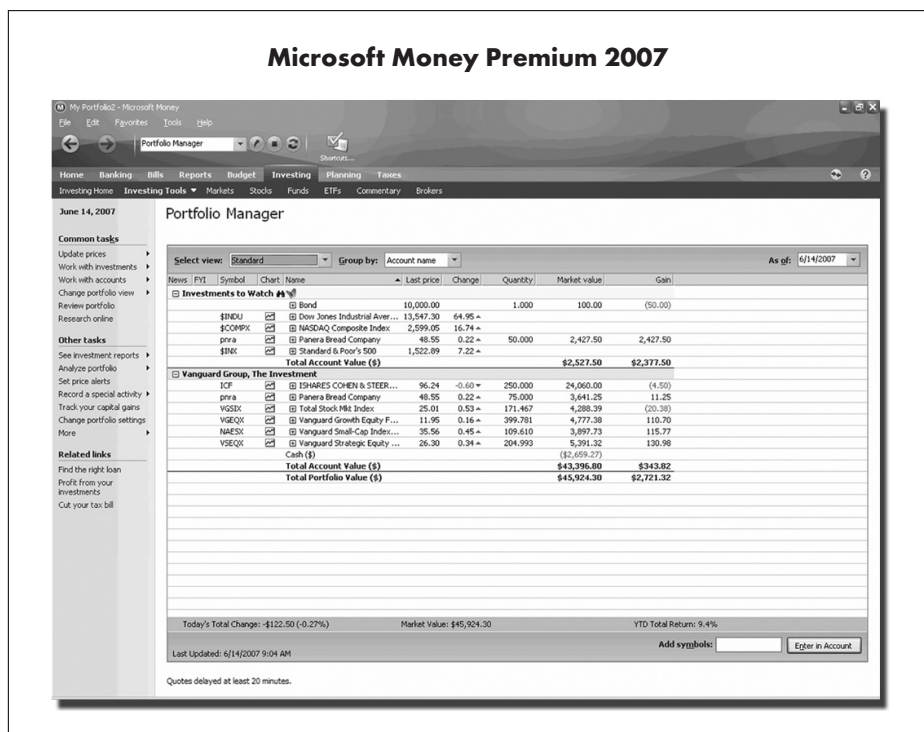
reports and customization capabilities to fit any investor's needs. Investors of all levels will find that monitoring and analyzing their portfolios with this program is not only easy and highly intuitive, but can also be a pleasant experience.

Fund Manager

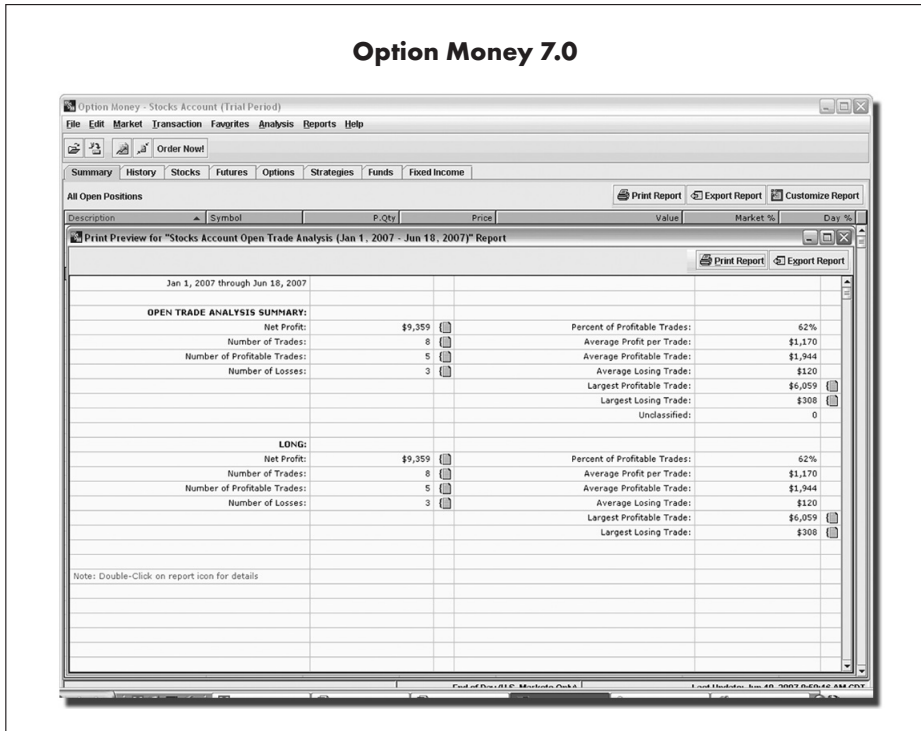
Fund Manager from Bailey Software comes in three versions: Personal, Professional and Advisor. The Personal version is geared toward the individual investor and offers basic portfolio management tools and performance reports, while the Professional version has more advanced statistics, technical analysis functions and portfolio alerts. The Advisor version is aimed at professional investment advisors. Each program handles an unlimited number of portfolios, with up to 500 securities in each for the Personal and up to 2,000 securities in each for the Professional.

Since our last update, Fund Manager can now track ETFs, futures, and user-defined securities in addition to cash, stocks, mutual funds, bonds and options.

The standard deposit, withdrawal, and buy/sell transactions are handled



Option Money 7.0



The program is not as easy to use as some of the others in the comparison, nor is it very attractive, but the Investor's Accountant allows for an unlimited number of portfolios and securities in each portfolio as well as over 20 reports. Investor's Accountant also handles a wide range of securities and transaction types including warrants, and real estate as well as user-defined securities.

You cannot import transactions from a brokerage firm and entering them manually takes some getting used to. The program has a wizard that takes you through the process and also offers written instructions that pop up in a separate window the first time a function is used.

The program has a few graphs, but displays most of its information in a Word document format. To view your current list of holdings or a transaction list, you must run a report.

Reports can measure performance between any two points in time or you can choose from periodic intervals such as month, quarter or year.

Automatic alerts can be set for dividend reminders, option expiration and price, and value and percent limits.

Overall, this program offers a good set of analysis and performance calculation tools. It is not as intuitive as other programs, but for investors willing to overcome the learning curve, the program can prove to be a helpful analysis and management tool.

in addition to dividends, redemptions, splits, mergers and spin-offs. Both long and short positions are also supported. Another welcome improvement is the ability to account for commissions.

Transactions can be entered manually or imported from your brokerage account via OFX or QFX, from Quicken, or from a text file or comma-separated file format. Fund Manager provided the most accurate data import from the two sample brokerage firm tests. Data can also be imported from Captools (see page 10 for more details).

Fund Manager has 13 reports and allows you to customize timeframes. A custom report function also allows you to choose from over 150 fields to create your own report. The capital gains reports can be exported to various tax reporting software.

The Professional and Advisor versions offer price alerts that can be based upon a fixed price, a trailing stop-loss or a moving average. Notifications are sent via E-mail, pop-up window or sound.

Overall, the Personal version of the Fund Manager program is good for simple portfolio tracking and performance reporting and is one of the least expensive options in the comparison.

For investors looking for more in-depth analysis, the Professional version may provide the right tools.

Investor's Accountant

Hamilton Software offers a variety of financial management software options that range from a simple program that calculates a basic rate of return for a portfolio to a complete portfolio management analysis system. Investor's Accountant is Hamilton's offering for a complete portfolio management and analysis system.

Portfolio Analyzer 4.0.22

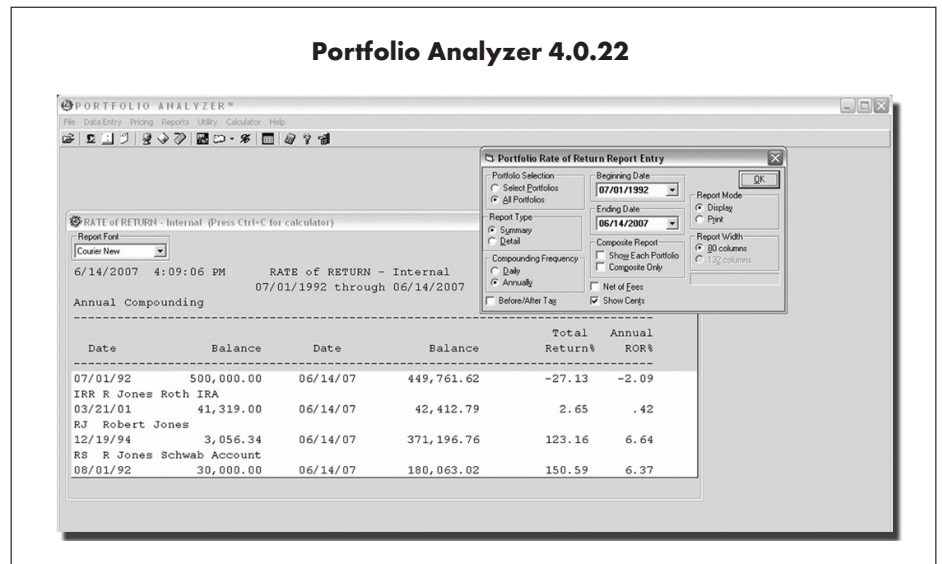




Table 1.
Ratings of Portfolio Management Software

Criteria are rated on a scale of one to five, with five denoting the best score. Performance rates how well the program accomplished the typical functions required of a complete portfolio management program; Documentation rates the quality of the printed materials, on-line help/tutorials, and manufacturer support; and Ease of Use rates how simple the program is to install, learn and operate.

	Performance	Documentation	Ease of Use	Price	Pros	Cons
BetterInvesting Portfolio Manager 5 Quant IX Software www.betterinvesting.org 	5	5	5	\$169	+Captools converter soon +Easy to use +Straightforward display of holdings & performance	-Imports from only 12 brokerage firms
Fund Manager 8.5 Beiley Software Inc. www.beiley.com	4	4	3	\$69 (Personal) \$295 (Pro)	+Can import from Captools +Pro version includes technical analysis tools	-Does not import broker transactions -Limits no. of portfolios & securities
The Investor's Accountant 5.2.28 Hamilton Software, Inc. www.hamiltonsoftware.com	4	4	3	\$249.95	+Offers over 20 reports +Handles a wide variety of transaction types & securities	-Not as intuitive as other programs -Does not import broker transactions -Reports can be difficult to read
Microsoft Money Premium 2007 Microsoft, Inc. www.microsoft.com/money	3	4	5	\$79.99	+A complete money mgmt sys +Strong integration w/Web site +Straightforward display of holdings & performance	-As portfolio mgr alone, lacks sophistication & flexibility
Option Money 7.0 Portfolio Systems, Inc. www.scscompany.com	3	4	5	\$345; or \$30/mo.	+Ability to import from Captools +Handles a wide variety of transaction types & securities	-Limited performance reports
Portfolio Analyzer 4.0.22 Hamilton Software, Inc. www.hamiltonsoftware.com	4	4	3	\$59.95	+Offers over 20 reports +Handles a wide variety of transaction types & securities	-Not as intuitive as other programs -Does not import broker transactions -Reports can be difficult to read
Portfolio Director 8.0 Portfolio Systems, Inc. www.scscompany.com 	5	5	5	\$300/mo.	+Ability to import from Captools +Wide variety of perform reports +Easy to use	
Quicken Premier 2007 Intuit, Inc. www.quicken.com	3	4	5	\$79.99 (Premier) \$69.99 (Mac)	+A complete money mgmt sys +Straightforward display of holdings & performance	-As portfolio mgr alone, lacks sophistication & flexibility

Microsoft Money Premium 2007

Microsoft Money offers more than just portfolio management tools. The program is designed as a money management tool as well as an investment tracking and analysis system. You can set up a budget, track your spending, write checks, plan for retirement and research potential investments. A detailed look at all of Money 2007's functions can be found in the January/February 2007 issue of *Computerized Investing*.

Money comes in three versions, Standard, Deluxe and Premium. The Premium version includes the portfolio management tools and is geared toward investors. The program is run

through the Microsoft Money Web site and the portfolio tracker mimics the Web site's offerings. However, the software offers additional reporting and analysis tools.

You must create a Windows Live ID before using the program because all of the data is stored on Microsoft servers as opposed to your hard drive. After you have set up your ID, creating portfolios and entering transactions is easy—Money provides wizards to take you step-by-step through the process. You can create an unlimited number of portfolios with an unlimited number of securities in each.

Transaction data can be downloaded from various brokerage firms and banks. Data can be updated each day

or at various times throughout the day. When testing the import function from various brokerage accounts, there were a few snags. After multiple attempts, the data was finally imported, but not without much frustration and a little confusion. The imported data was highly accurate, minus a few rounding errors.

The securities that the portfolio tracker handles include cash, stocks, mutual funds, ETFs, bonds, options, and real estate, as well as user-defined securities. Money even has the ability to account for employee stock options. Tax data can be exported to various tax preparation software programs. The reports offer basic performance, asset allocation and capital gains analysis.

Portfolio Director 8.0

Print Preview for Account Transactions for Joe Smith (Scotttrade) Report

Print Report Send to PDF Export Report Memorize Report Customize Report

Date	Description	Action	Qty	Net Amount	Balance
Jan 1, 2007	Starting Balance (SCX)	Start	500	\$0.00	(\$813,796.89)
Jan 1, 2007	Starting Balance (SGMA)	Start	1,200	\$0.00	(\$813,796.89)
Jan 1, 2007	Starting Balance (TFCO)	Start	900	\$0.00	(\$813,796.89)
Jan 1, 2007	Starting Balance (TTES)	Start	500	\$0.00	(\$813,796.89)
Jan 1, 2007	Starting Balance (WLFCC)	Start	755	\$0.00	(\$813,796.89)
Feb 26, 2007	Pomeroy Computer Res Inc (old)5/	Buy	405	(\$3,085.00)	(\$816,881.89)
Feb 26, 2007	Merix Corp (MERX)	Buy	200	(\$1,816.98)	(\$818,698.87)
Feb 26, 2007	Merix Corp (MERX)	Buy	100	(\$905.00)	(\$819,603.87)
Feb 26, 2007	Merix Corp (MERX)	Buy	100	(\$905.00)	(\$820,508.87)
Feb 26, 2007	Merix Corp (MERX)	Buy	100	(\$905.00)	(\$821,413.87)
Feb 26, 2007	Merix Corp (MERX)	Buy	100	(\$905.00)	(\$822,318.87)
Feb 26, 2007	Merix Corp (MERX)	Buy	100	(\$905.00)	(\$823,223.87)
Feb 26, 2007	Merix Corp (MERX)	Buy	200	(\$1,809.60)	(\$825,033.47)
Feb 26, 2007	P & F Industries Class A (PFIN)	Buy	7	(\$97.37)	(\$825,130.84)
Feb 26, 2007	P & F Industries Class A (PFIN)	Buy	96	(\$1,239.36)	(\$826,370.20)
Feb 26, 2007	P & F Industries Class A (PFIN)	Buy	100	(\$1,292.00)	(\$827,662.20)
Feb 26, 2007	P & F Industries Class A (PFIN)	Buy	100	(\$1,292.00)	(\$828,954.20)
Feb 26, 2007	P & F Industries Class A (PFIN)	Buy	133	(\$1,718.36)	(\$830,672.56)
Feb 26, 2007	Starrett L S Co (SCX)	Buy	400	(\$7,295.00)	(\$837,967.56)
Feb 26, 2007	P & F Industries Class A (PFIN)	Buy	164	(\$2,118.88)	(\$840,086.44)
Feb 26, 2007	Pomeroy Computer Res Inc (old)5/	Sell	405	\$3,070.90	(\$837,015.54)
Feb 26, 2007	Pomeroy Computer Res Inc (old)5/	Sell	200	\$1,510.95	(\$835,504.59)
Feb 26, 2007	Bon-ton Stores Inc (BONT)	Sell	100	\$4,897.84	(\$830,606.75)
Feb 26, 2007	Bon-ton Stores Inc (BONT)	Sell	15	\$735.72	(\$829,871.03)
Feb 26, 2007	Bon-ton Stores Inc (BONT)	Sell	200	\$9,809.71	(\$820,061.32)

techniques and capabilities. In Portfolio Analyzer, current portfolio holdings are shown only for the current date and performance is measured only for the time period that the security is held.



Portfolio Director

Portfolio Systems Inc.'s Portfolio Director offers professional investors a system to track an unlimited number of client portfolios in one program.

The program offers an extensive list of securities and transactions handled as well as a wide variety of performance reports. Aside from basic securities, Portfolio Director can account for annuities, options, futures, warrants and various fixed-income investments. The program also handles buys, sells, margin, return of capital, cash and stock dividends, stock splits, interest and more.

As with Option Money, transaction data can be imported from various brokerage firms and the downloads are fairly accurate. Because the program is geared toward professional investors, it has extensive performance and analysis reports. It also carries a professional price tag of \$300 per month. Reports include: return on investment tracking and graphing, cash flow analysis, ratio analysis and asset allocation graphing. You can also view historical position reports showing asset allocation performance. Annualized, IRR and time-weighted rates of return are used to calculate portfolio performance. User-defined benchmarks can be compared against portfolio returns. Portfolio summary tables combine performance tables, historical return graphs and allocation reports for easy reading. Reports can be customized, printed, exported to Excel or downloaded in PDF format. Portfolio Director may offer more than some investors need, and a price tag beyond some budgets, but it includes a wealth of detailed reports and analysis. This is our top pick for Mac users.

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You can also create custom reports.

Overall, Money's portfolio tracking system is straightforward and useful, especially for those who wish to take advantage of the additional money management and financial planning tools offered in the program. The program, however, lacks sophisticated reporting and portfolio analysis tools offered by other programs that are designed solely for portfolio management.

Option Money

Portfolio Systems offers three portfolio management tools: Portfolio Gains, Option Money and Portfolio Director. Portfolio Gains is a simple program that tracks stock, fund, bond and options trades and tracks gains and losses as well as Schedule D tax reports. Option Money includes the features of Portfolio Gains and adds analysis and performance reporting to its list of features. Portfolio Director is geared toward active traders and professional portfolio managers and is discussed in detail later in this article.

Option Money can import transactions from a number of popular brokerage firms. While the process is not complicated, it is not as simple as other programs and Option Money

lacks a step-by-step wizard to assist new users. Instructions on importing can be found at the company's Web site. In testing, Option Money provided a fairly accurate import of transaction data.

You can track an unlimited number of portfolios and an unlimited number of securities in each. Option Money tracks a wide array of securities including 14 different fixed-income investments and futures on top of the typical cash, stocks, funds, options and bonds. Transaction types include: buy and sell, return of capital, cash and stock dividends, splits, spin-offs, and interest.

Reports are limited to basic portfolio position and performance reports. The reports can be customized, exported to Excel or printed. Tax reports can be imported to various tax preparation software programs.

Portfolio Analyzer

Portfolio Analyzer, the other Hamilton Software program in this comparison, is a more basic version of the Investor's Accountant. It handles the same securities and transaction types. Portfolio and transaction creation is identical as well.

Differences arise in the reporting

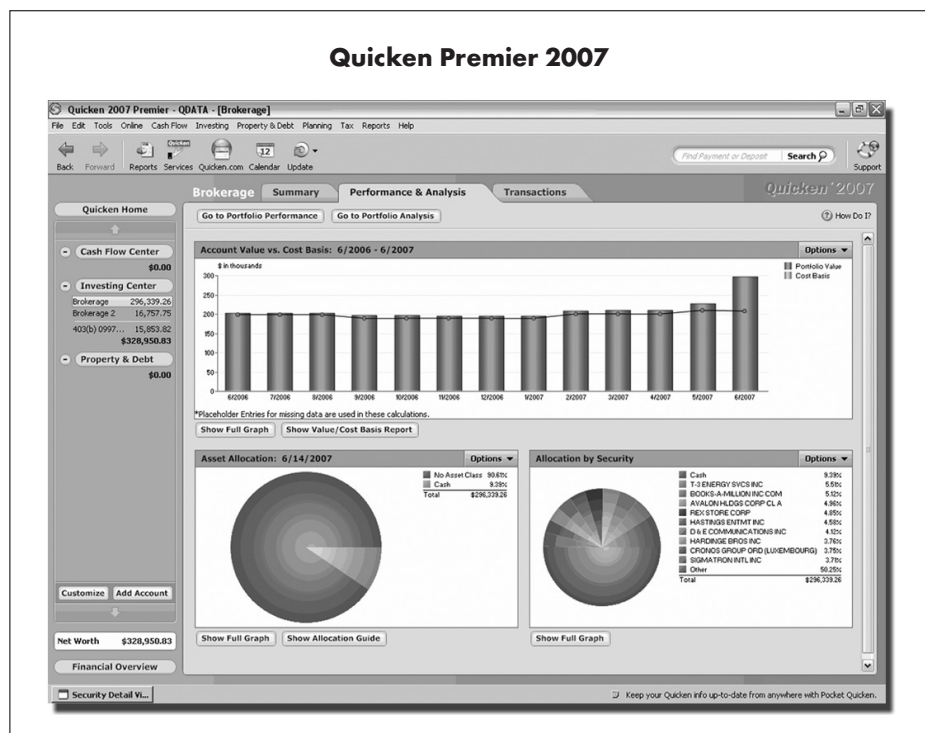
Quicken Premier 2007

Like Microsoft Money, Quicken offers a complete money management package that includes portfolio management and analysis tools. Quicken offers four versions: Basic, Deluxe, Premier and a Mac-only version. The Premier version includes portfolio management capabilities as does the Mac-only version.

Quicken offers OFX downloads for over 5,000 banks, credit card companies and brokerage firms. A step-by-step wizard helps you import transaction data. As with Microsoft Money, importing transactions was not as smooth as with other programs; it took multiple tries before the data was successfully imported. However, imported data was accurate, with a few missing transactions.

The 2007 version of Quicken no longer offers the ability to import data in the QIF format, but the Quicken Web site offers help on how to convert any QIF files to the OFX format, which offers faster and more accurate downloading.

Reports offered include performance, asset allocation, capital gains, and risk. You can customize reports and create a toolbar for easy access to frequently used reports. Additionally, employee stock



option plans are also supported.

Various alerts can be set up, including price and volume, tax and capital gains and data update reminders.

While Quicken offers basic portfolio management analysis tools and reports, investors interested in the entire money management package may gain more from the program than those

looking for portfolio management alone. It is also one of the only options for Mac users in need of a portfolio management program.

Cara Scatizzi is associate financial analyst at AAIL. Ian McGregor provided research assistance.