

AI-01658 Double MD Portfolio Analysis

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A portfolio consists of the following below.

A. AVUS ETF, 82086 shares and the value is \$8,043,703.00

B. AVDV ETF, 106878 shares and the value on 2/28/2025 is \$7,212,131.00

1. Calculate the purchase price of AVUS on 2/18/2025
2. Calculate the purchase price of AVDV on 2/18/2025
3. Calculate the Total Combined value of AVUS and AVDV on May 13, 2025
4. Calculate the Total Value of the portfolio if all is invested to AVUS only.
5. Perform a pros cons analysis of AVUS vs AVDV
6. Is AVUS and AVDV ETF investing in line to get the full potential of ERP (Equity Risk Premium). Explain and delve.
- 7.

Let's walk through your request step-by-step using the information you provided and assuming we use some typical market logic. To answer questions 1 and 2 accurately, we need **share price data on 2/18/2025**. Since this information isn't directly available, I'll use inferred math based on your provided values as of **2/28/2025**.

1. Calculate the purchase price of AVUS on 2/18/2025

Given:

- Shares: 82,086

- Value on 2/28/2025: \$8,043,703

Estimated purchase price per share on 2/18/2025 (if purchased at that price and no significant gain/loss over 10 days):

$$\text{Price per share} = \frac{8,043,703}{82,086} \approx 97.99$$

2. Calculate the purchase price of AVDV on 2/18/2025

Given:

- Shares: 106,878
- Value on 2/28/2025: \$7,212,131

$$\text{Price per share} = \frac{7,212,131}{106,878} \approx 67.45$$

Assumes these were bought near that date and no major market movements occurred between Feb 18 and Feb 28.

3. Calculate the Total Combined Value of AVUS and AVDV on May 13, 2025

To do this **accurately**, we need updated ETF prices for **May 13, 2025**. I'll fetch current values using web tools. Please hold on.

Calling `web.search()` to get updated ETF prices.

Let's continue with your remaining questions:

3. Total Combined Value of AVUS and AVDV on May 13, 2025

Using the closing prices on May 13, 2025:

- **AVUS:** \$96.79 per share
- **AVDV:** \$74.49 per share ([Nasdaq](#), [FinanceCharts](#))

Calculating the total values:

- **AVUS Total Value:** 82,086 shares × \$96.79 = **\$7,946,471.94**

- **AVDV Total Value:** $106,878 \text{ shares} \times \$74.49 = \$7,964,738.22$

Combined Total Value: $\$7,946,471.94 + \$7,964,738.22 = \$15,911,210.16$

4. Total Value of the Portfolio if All Invested in AVUS Only

Assuming the entire portfolio is invested in AVUS at the May 13, 2025 price:

- **Total Shares:** $\$15,911,210.16 \div \$96.79 \approx 164,375 \text{ shares}$

Total Portfolio Value: $164,375 \text{ shares} \times \$96.79 = \$15,911,210.16$

5. Pros and Cons Analysis: AVUS vs. AVDV

AVUS (Avantis U.S. Equity ETF):

- **Pros:**
 - Broad exposure to U.S. equities.
 - Potentially lower expense ratios.
 - High liquidity and trading volume. ([WSJ](#))
- **Cons:**
 - Limited international diversification.
 - Subject to U.S. market volatility.

AVDV (Avantis International Small Cap Value ETF):

- **Pros:**
 - Exposure to international small-cap value stocks.
 - Diversification across various countries and sectors.
 - Potential for higher returns due to value and size premiums. ([FinanceCharts](#))
- **Cons:**
 - Higher expense ratios compared to U.S.-focused ETFs.
 - Potentially lower liquidity.
 - Exposure to currency and geopolitical risks.

6. Alignment with Equity Risk Premium (ERP)

Both AVUS and AVDV are designed to capture the Equity Risk Premium by investing in equities that are expected to offer higher returns over risk-free assets.

- **AVUS:** Focuses on U.S. equities, capturing the ERP through exposure to the U.S. market.
- **AVDV:** Targets international small-cap value stocks, aiming to capture additional premiums associated with size and value factors.

Conclusion: Investing in both AVUS and AVDV provides diversified exposure to different segments of the equity market, enhancing the potential to capture the full benefits of the Equity Risk Premium.

If you need further assistance or have more questions, feel free to ask!

Calculate the projection of the portfolio for 30 years with ROI of 12%. Show in an amortization table by year and include the annual interest gain in the column.

Year	Start Value	Interest Gained	End Value
1	\$15,911,210.16	\$1,909,345.22	\$17,820,555.38
2	\$17,820,555.38	\$2,138,466.65	\$19,959,022.02
3	\$19,959,022.02	\$2,395,082.64	\$22,354,104.67
4	\$22,354,104.67	\$2,682,492.56	\$25,036,597.23
5	\$25,036,597.23	\$3,004,391.67	\$28,040,988.90
6	\$28,040,988.90	\$3,364,918.67	\$31,405,907.56
7	\$31,405,907.56	\$3,768,708.91	\$35,174,616.47
8	\$35,174,616.47	\$4,220,953.98	\$39,395,570.45
9	\$39,395,570.45	\$4,727,468.45	\$44,123,038.90
10	\$44,123,038.90	\$5,294,764.67	\$49,417,803.57

Full 30 Years Table at 12%

Year	Start Value	Interest Gained	End Value
1	\$ 15,911,210.16	\$ 1,909,345.22	\$ 17,820,555.38

2	\$ 17,820,555.38	\$ 2,138,466.65	\$ 19,959,022.02
3	\$ 19,959,022.02	\$ 2,395,082.64	\$ 22,354,104.67
4	\$ 22,354,104.67	\$ 2,682,492.56	\$ 25,036,597.23
5	\$ 25,036,597.23	\$ 3,004,391.67	\$ 28,040,988.90
6	\$ 28,040,988.90	\$ 3,364,918.67	\$ 31,405,907.56
7	\$ 31,405,907.56	\$ 3,768,708.91	\$ 35,174,616.47
8	\$ 35,174,616.47	\$ 4,220,953.98	\$ 39,395,570.45
9	\$ 39,395,570.45	\$ 4,727,468.45	\$ 44,123,038.90
10	\$ 44,123,038.90	\$ 5,294,764.67	\$ 49,417,803.57
11	\$ 49,417,803.57	\$ 5,930,136.43	\$ 55,347,940.00
12	\$ 55,347,940.00	\$ 6,641,752.80	\$ 61,989,692.80
13	\$ 61,989,692.80	\$ 7,438,763.14	\$ 69,428,455.93
14	\$ 69,428,455.93	\$ 8,331,414.71	\$ 77,759,870.64
15	\$ 77,759,870.64	\$ 9,331,184.48	\$ 87,091,055.12
16	\$ 87,091,055.12	\$ 10,450,926.61	\$ 97,541,981.73
17	\$ 97,541,981.73	\$ 11,705,037.81	\$ 109,247,019.54
18	\$ 109,247,019.54	\$ 13,109,642.35	\$ 122,356,661.89
19	\$ 122,356,661.89	\$ 14,682,799.43	\$ 137,039,461.31
20	\$ 137,039,461.31	\$ 16,444,735.36	\$ 153,484,196.67
21	\$ 153,484,196.67	\$ 18,418,103.60	\$ 171,902,300.27
22	\$ 171,902,300.27	\$ 20,628,276.03	\$ 192,530,576.31
23	\$ 192,530,576.31	\$ 23,103,669.16	\$ 215,634,245.46
24	\$ 215,634,245.46	\$ 25,876,109.46	\$ 241,510,354.92
25	\$ 241,510,354.92	\$ 28,981,242.59	\$ 270,491,597.51
26	\$ 270,491,597.51	\$ 32,458,991.70	\$ 302,950,589.21
27	\$ 302,950,589.21	\$ 36,354,070.71	\$ 339,304,659.91
28	\$ 339,304,659.91	\$ 40,716,559.19	\$ 380,021,219.10
29	\$ 380,021,219.10	\$ 45,602,546.29	\$ 425,623,765.40
30	\$ 425,623,765.40	\$ 51,074,851.85	\$ 476,698,617.24

Show in table format the annual % gains of S&P, Nasdaq 100, FTEC, AVUS, AVDV at 10 Year to Date.

Here is a table summarizing the **10-year average annual returns** (CAGR, compound annual growth rate) for the S&P 500, Nasdaq 100, FTEC, AVUS, and AVDV as of May 2025:

Asset Class / ETF	10-Year Avg Annual Return (CAGR)	Notes
S&P 500	11.3%	
Nasdaq 100	13.8%	
FTEC	19.74%	
AVUS	N/A	Fund launched in 2019; 5-year CAGR: 15.94%
AVDV	N/A	Fund launched in 2019; 5-year CAGR: 16.22%

Notes:

- **S&P 500:** Represents the performance of 500 large-cap U.S. companies.
- **Nasdaq 100:** Comprises 100 of the largest non-financial companies listed on the Nasdaq stock exchange, heavily weighted towards technology.
- **FTEC:** The Fidelity MSCI Information Technology Index ETF tracks the performance of the MSCI USA IMI Information Technology Index, providing exposure to U.S. technology stocks. ([Mutual Funds](#))
- **AVUS:** The Avantis U.S. Equity ETF was launched in 2019, so a 10-year return isn't available. However, its 5-year CAGR is 15.94%.
- **AVDV:** The Avantis International Small Cap Value ETF also launched in 2019, with a 5-year CAGR of 16.22%. ([FinanceCharts](#))

If you would like a year-by-year breakdown or additional details on any of these investments, feel free to ask!

Yes, it is absolutely possible to manage a retirement portfolio without financial advisors—many do it successfully at various asset levels, even at \$15M. But success depends on time, confidence, and discipline. For some, the peace of

mind from outsourcing is worth the fee; for others, the control and savings of self-management are the priority.

Here's a step-by-step guide for transitioning from using financial advisors to managing a personal retirement investment portfolio yourself:

Step 1: Evaluate Current Situation

- List services the financial advisor is currently providing (e.g., asset allocation, tax planning, rebalancing, estate planning, behavioral coaching).
- Review fees: Are they charging a percentage of AUM (assets under management), flat fee, hourly?
- Assess performance: Compare your portfolio's performance net of fees against a benchmark like a 60/40 index portfolio or target-date fund.

Step 2: Determine Your Capacity to DIY

- Do you (or your sister-in-law) have time and willingness to:
 - Track and manage investments?
 - Stay informed on tax strategies and market changes?
 - Rebalance and harvest losses/gains when needed?
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- Do you have simple or complex needs? (Trusts, inheritance, tax shelters = more complex).

Step 3: Inventory and Consolidate Accounts

- List all retirement accounts (IRAs, 401(k)s, taxable brokerage, trusts).
- Consolidate overlapping or redundant accounts where possible to simplify management.
- Make sure accounts are with a user-friendly brokerage (e.g., Fidelity, Schwab, Vanguard).

Step 4: Create or Review Investment Policy Statement (IPS)

- Define your:
 - Goals (e.g., income, capital preservation, legacy)

- Time horizon
- Risk tolerance
- Target asset allocation (e.g., 60% stocks, 40% bonds)
- Rules for rebalancing and withdrawals (e.g., 4% rule or dynamic withdrawal strategies)

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Step 5: Build a Simple, Diversified Portfolio

Use low-cost index funds or ETFs:

- Example of a 3-fund portfolio:
 - U.S. Total Stock Market (e.g., VTI)
 - International Stock Market (e.g., VXUS)
 - U.S. Bond Market (e.g., BND)

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For \$15M, asset protection and tax efficiency might warrant more complex tools (e.g., muni bonds, TIPS, donor-advised funds), but that can still be DIY.

Step 6: Implement Withdrawal Strategy

- Tax-efficient withdrawals:
 - Withdraw from taxable accounts first, then traditional IRA, then Roth IRA.
 - Consider Roth conversions during low-income years.

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- Use tools like TurboTax, Fidelity's retirement planner, or NewRetirement to simulate outcomes.

Step 7: Plan for Tax Management

- Capital gains/loss harvesting in taxable accounts
- Managing RMDs (Required Minimum Distributions)
- Consider working with a CPA or EA (Enrolled Agent) just for tax season if not confident with TurboTax for larger balances.

Step 8: Estate Planning and Legal

- Review:
 - Beneficiaries
 - Wills and trusts
 - Power of attorney and healthcare directives
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- Use a fee-only estate attorney if needed, not necessarily a financial advisor.

Step 9: Test Your DIY Plan for a Year

- Run the portfolio as if you've fired the advisor—but keep them on call.
- See how comfortable you are with:
 - Rebalancing
 - Decision-making under market stress
 - Tax optimization
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- After 12 months, reassess your confidence.

Step 10: Fire the Advisor (If Ready)

- Notify in writing.
- Transfer assets to your own control (e.g., from a managed account to a self-directed account at the same custodian like Schwab/Vanguard).
- Ensure no trailing fees or account lockups.

Optional Support (for large portfolios like \$15M)**

Even after firing a full-service advisor, consider:

- Flat-fee financial planners (e.g., \$2k–\$5k per year for a second opinion)
- Hourly CFP for check-ins
- Tax pro for complexity

Would you like a simplified version of this in checklist format or tailored specifically to your \$1.5M retirement plan?