



Alternative Asset Diversification Analyzer

Build a portfolio with alternative assets and compare its characteristics to a traditional stocks/bonds portfolio over 30 years.

Build Your Enhanced Portfolio

Allocate your \$100,000 investment across asset classes:

US Stocks



50%

Bonds



25%

REITs



10%

Gold



10%

Commodities



5%

Total

100%

Analyze Portfolio

Traditional 60/40 Portfolio

Expected Return 7.0%

Expected Volatility 10.5%

Sharpe Ratio 0.48

Max Drawdown (2008) -35%

✓ Your Enhanced Portfolio

Expected Return 7.4%

Expected Volatility 8.3%

Sharpe Ratio 0.53

Max Drawdown (2008) -36%

30-Year Projection

\$761,226

30-Year Projection

\$857,355

Correlation Matrix

Lower correlation = better diversification benefit

	Stocks	Bonds	REITs	Gold	Commodities
Stocks	1.00	-0.10	0.70	0.05	0.35
Bonds	-0.10	1.00	0.15	0.30	0.10
REITs	0.70	0.15	1.00	0.10	0.40
Gold	0.05	0.30	0.10	1.00	0.45
Commodities	0.35	0.10	0.40	0.45	1.00

How do alternatives improve the portfolio? (Look at volatility, Sharpe ratio, drawdown)

Explain the diversification benefits you observe...

Why is gold valuable in a portfolio even though its long-term return is lower than stocks?

Consider correlation, crisis performance, inflation protection...