

# SOLOMON LOWE PORTFOLIO SOLUTIONS

FOR THE CLIENTE: JOHN SMITH



Your Wealth Firm Solution





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SOLOMON LOWE  
PORTFOLIO  
SOLUTIONS

# PORTFOLIO OPTIONS

JOHN SMITH

**PORTFOLIO STARTING  
VALUE:\$100,000**

## **PORTFOLIO: SILVER (LOW RISK)**

This portfolio is based on assortment of different companies and provides the lowest volatility.

## **PORTFOLIO: GOLD (IDEAL PORTFOLIO)**

This portfolio is well diversified like the last one but using modern portfolio theory, it is the most efficient option with the stocks we choose.

## **PORTFOLIO: DIAMOND (RISKY)**

Using the stocks that we picked, this portfolio guarantees the highest returns without regard for volatility.

# STOCKS WE CHOOSE



Google  
(GOOG)



Amazon  
(AMZN)



Coca Cola  
(KO)



Procter &  
Gamble  
(PG)

# STOCKS WE CHOOSE

The logo for J.P. Morgan, featuring the text "J.P. Morgan" in a dark blue, serif font, with "J.P." in a smaller size than "Morgan".

J.P. Morgan

JP Morgan  
(JPM)

The logo for Berkshire Hathaway Inc., featuring the text "BERKSHIRE HATHAWAY INC." in a blue, serif font, with "BERKSHIRE" and "HATHAWAY" in a larger size than "INC.". The word "HATHAWAY" is in a bold, sans-serif font.

BERKSHIRE HATHAWAY INC.

Berkshire  
Hathaway  
(BRK-B)

The logo for the SPDR S&P 500 ETF, featuring a stylized mountain range graphic above the text "SPDR" in a bold, black, sans-serif font.

SPDR

SPDR S&P 500  
ETF  
(SPY)

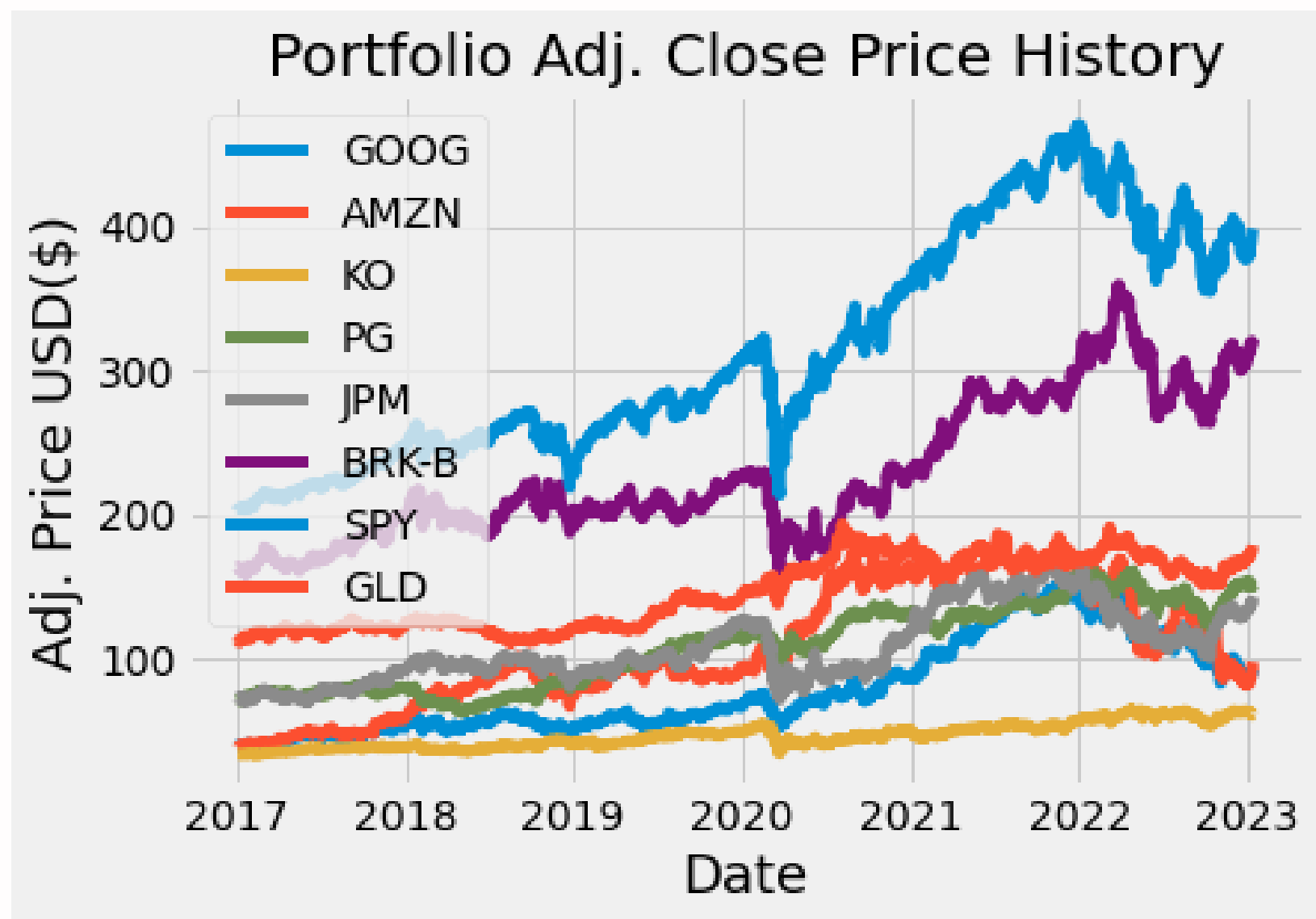
The logo for the SPDR Gold ETF, featuring a stylized mountain range graphic above the text "SPDR" in a bold, black, sans-serif font.

SPDR

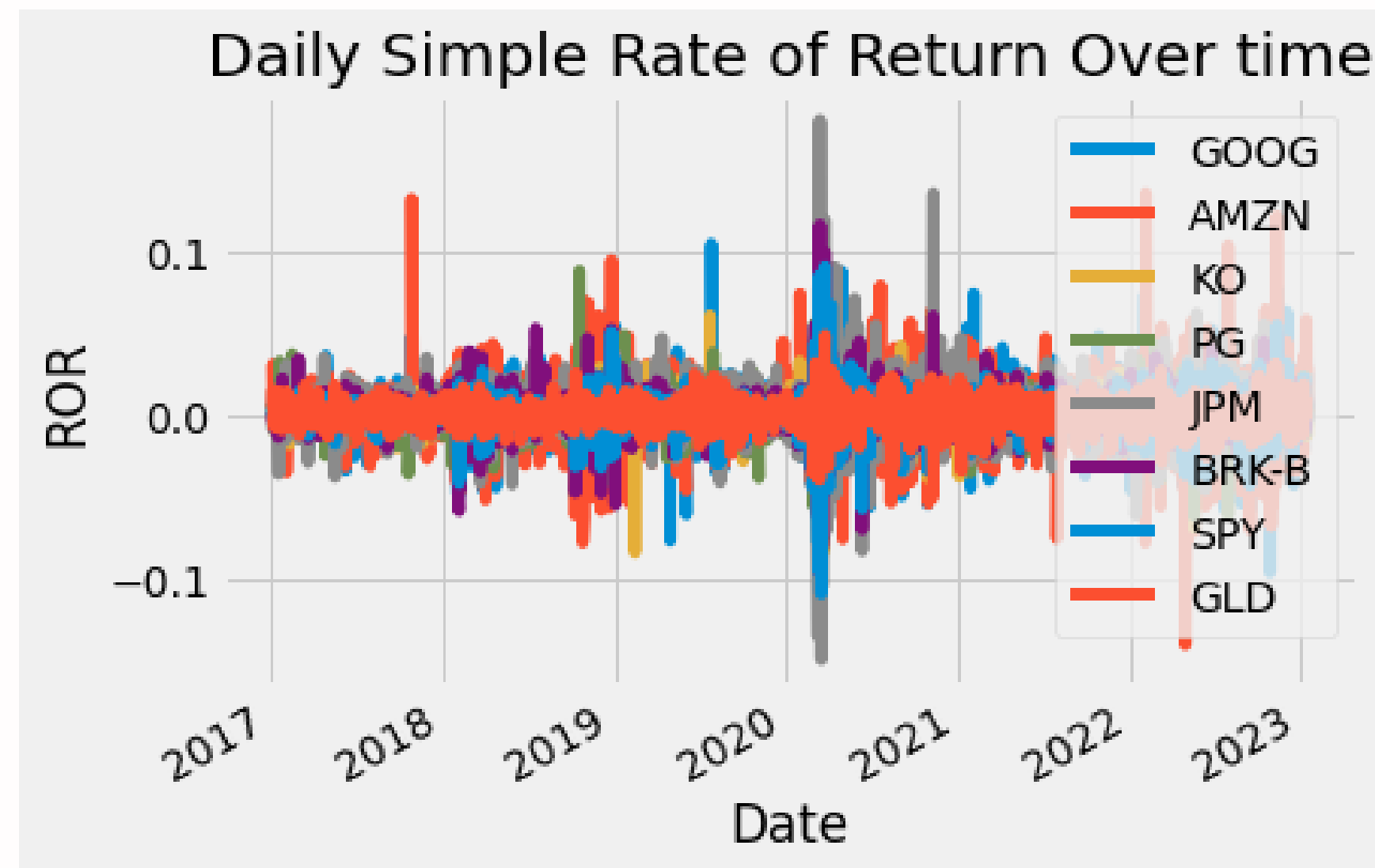
SPDR Gold ETF  
(GLD)

# WHY WE CHOOSE THESE STOCKS

We choose the stocks in this portfolio to have the maximum diversification and returns. We have stocks from several different sectors. Apple and Google in technology. Coca Cola and Procter and Gamble in Consumer goods. JP Morgan and Berkshire Hathaway in financial services. SPDR, SPY-500 ETF to have a higher amount of diversification. SPDR Gold ETF as a hedge against inflationary pressures.



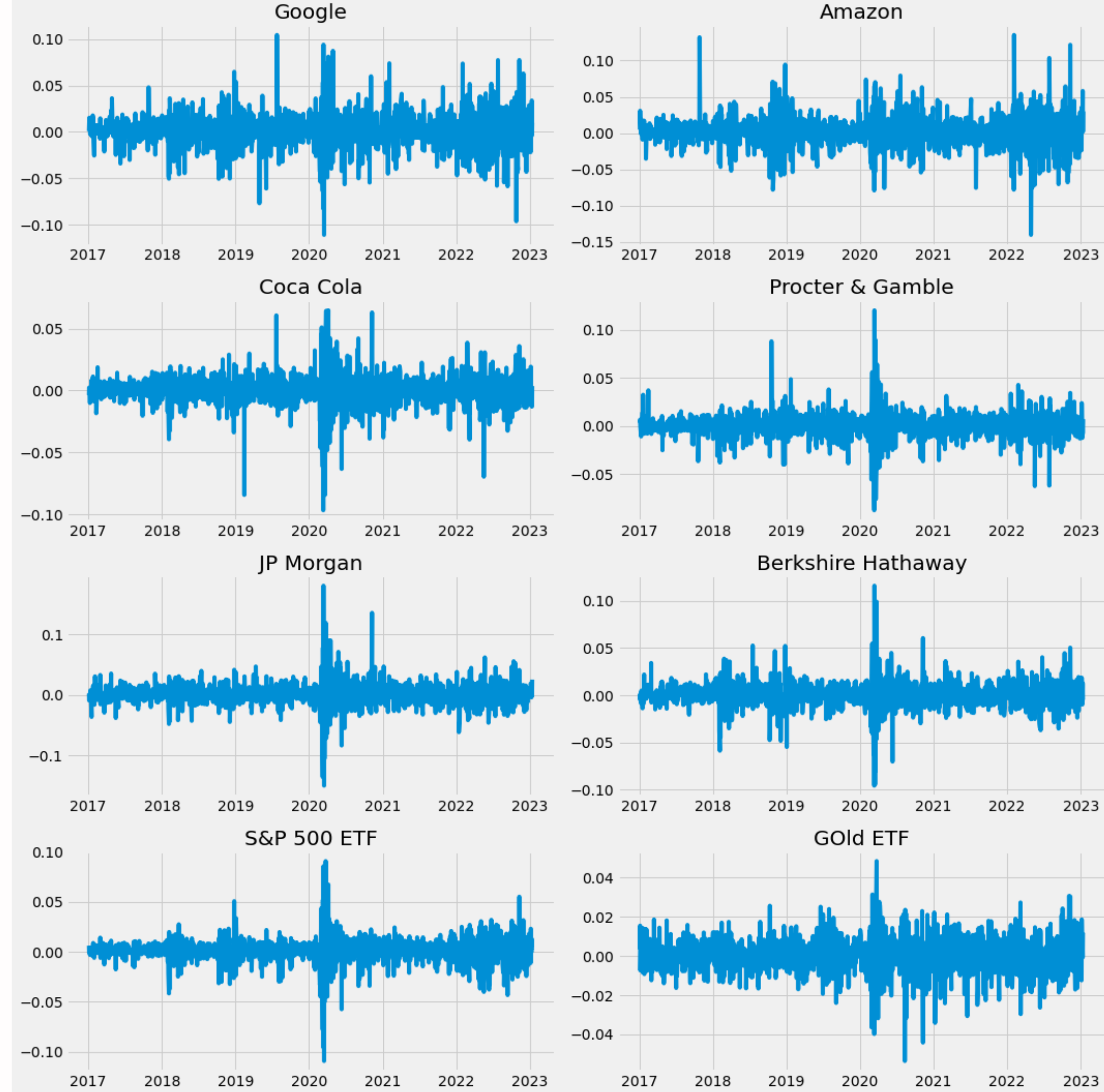
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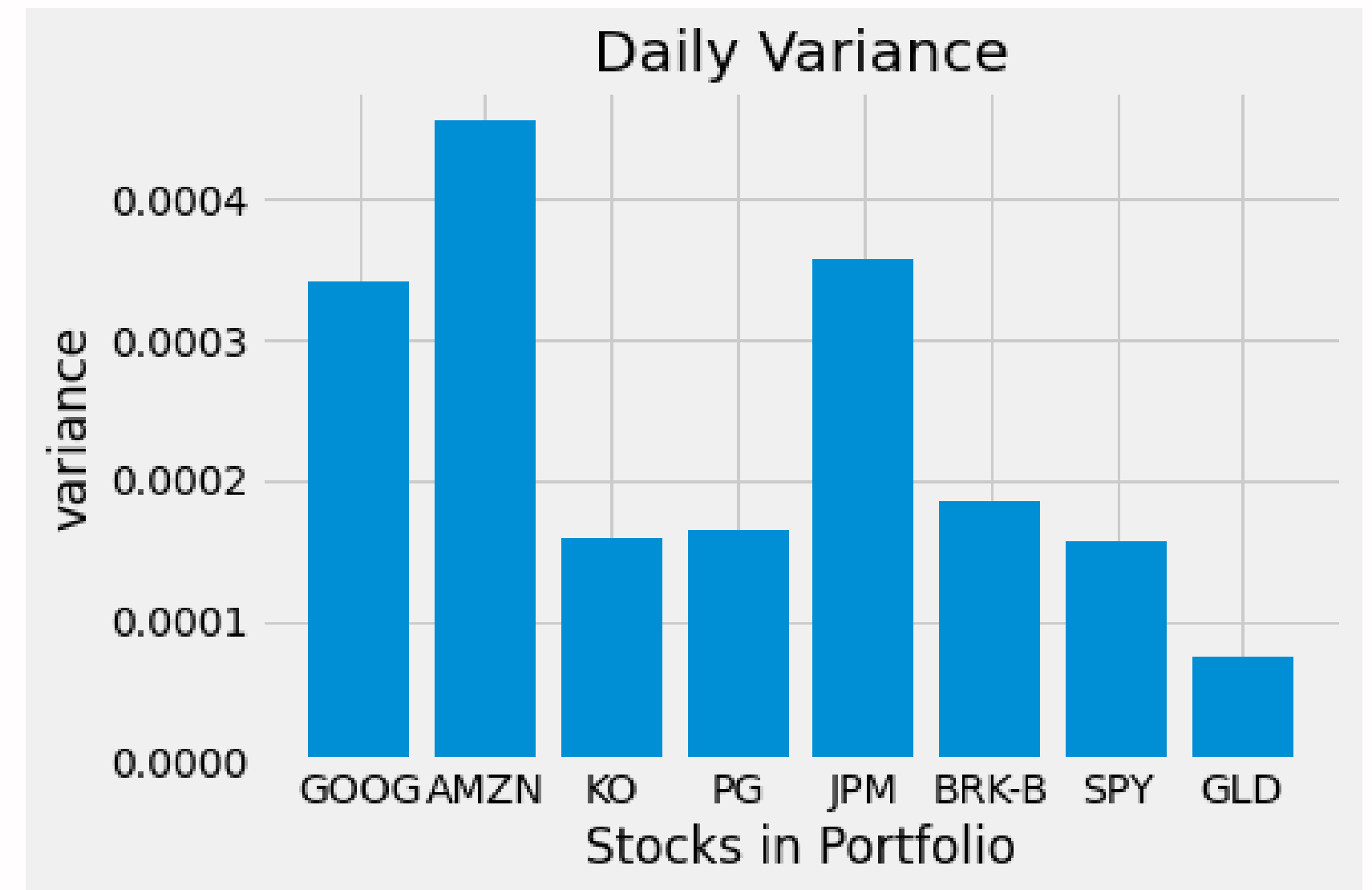
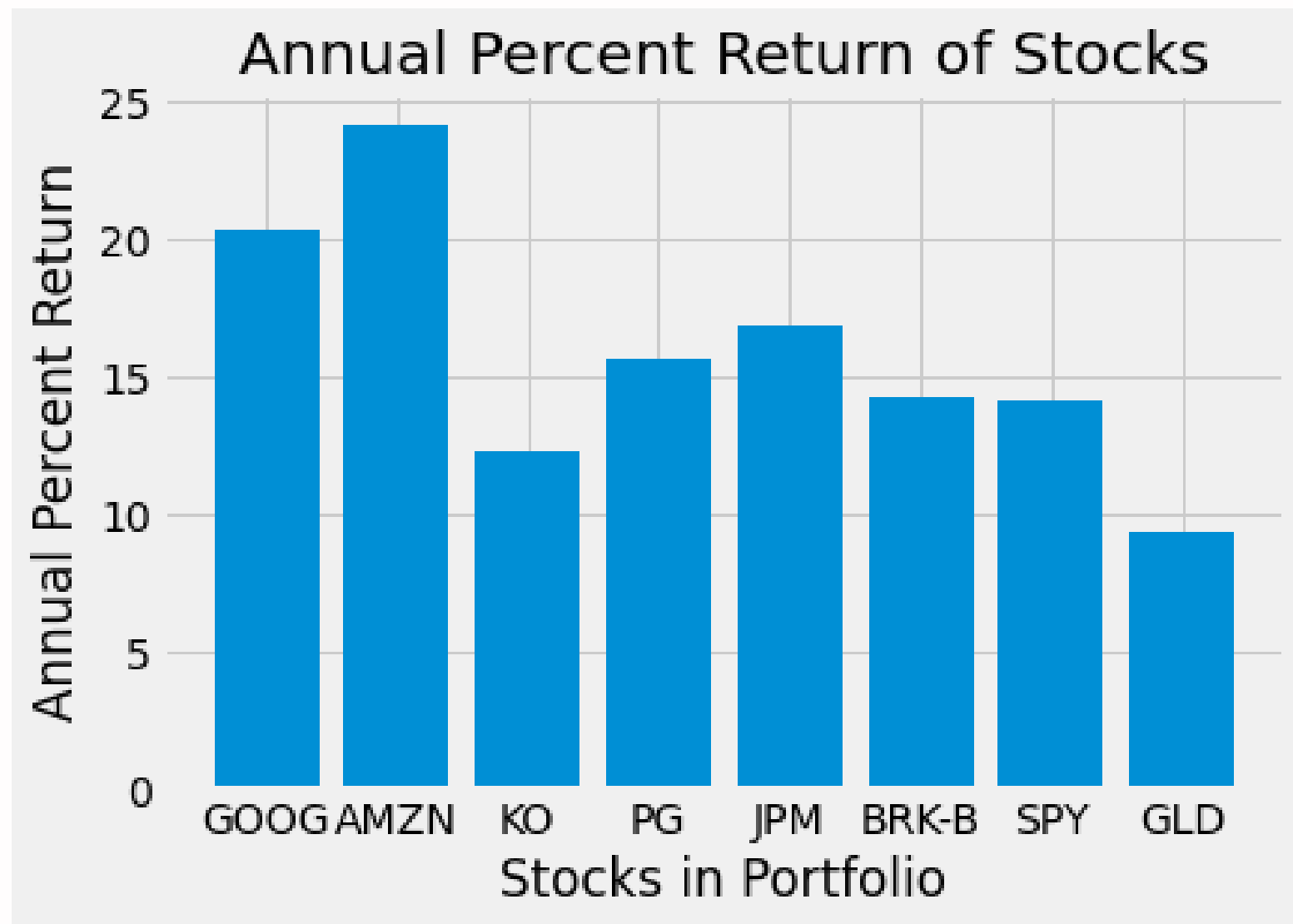


**DAILY SIMPLE  
RETURN OVER TIME**



# DAILY SIMPLE RATES RETURN





**ANNUAL RATE  
OF RETURN**

**DAILY VARIANCE**



# COVARIANCE MATRIX

	GOOG	AMZN	KO	PG	JPM	BRK-B	SPY	GLD
GOOG	0.085780	0.068064	0.023601	0.021862	0.041972	0.035316	0.045642	0.002999
AMZN	0.068064	0.114793	0.016632	0.017446	0.031840	0.029309	0.044422	0.004409
KO	0.023601	0.016632	0.040139	0.025989	0.031168	0.026245	0.025336	0.002609
PG	0.021862	0.017446	0.025989	0.041718	0.022999	0.021890	0.023032	0.002400
JPM	0.041972	0.031840	0.031168	0.022999	0.089837	0.051167	0.044140	-0.002776
BRK-B	0.035316	0.029309	0.026245	0.021890	0.051167	0.046859	0.035001	-0.000123
SPY	0.045642	0.044422	0.025336	0.023032	0.044140	0.035001	0.039387	0.002551
GLD	0.002999	0.004409	0.002609	0.002400	-0.002776	-0.000123	0.002551	0.018863

CORRELATION MATRIX								
	GOOG	AMZN	KO	PG	JPM	BRK-B	SPY	GLD
GOOG	0.085780	0.068064	0.023601	0.021862	0.041972	0.035316	0.045642	0.002999
AMZN	0.068064	0.114793	0.016632	0.017446	0.031840	0.029309	0.044422	0.004409
KO	0.023601	0.016632	0.040139	0.025989	0.031168	0.026245	0.025336	0.002609
PG	0.021862	0.017446	0.025989	0.041718	0.022999	0.021890	0.023032	0.002400
JPM	0.041972	0.031840	0.031168	0.022999	0.089837	0.051167	0.044140	-0.002776
BRK-B	0.035316	0.029309	0.026245	0.021890	0.051167	0.046859	0.035001	-0.000123
SPY	0.045642	0.044422	0.025336	0.023032	0.044140	0.035001	0.039387	0.002551
GLD	0.002999	0.004409	0.002609	0.002400	-0.002776	-0.000123	0.002551	0.018863

# GOLD PORTFOLIO

Asset	Shares	Weight
GOOG	60	0.036238
AMZN	289	0.280254
KO	108	0.057016
PG	139	0.205716
JPM	7	0.004776
BRK-B	2	0.069
SPY	11	0.043442
GLD	171	0.303558
Funds left		\$1,881

Returns = 0.159319  
Volatility= 0.153642  
Sharpe Ratio=1.0369

# SILVER PORTFOLIO

Asset	Shares	Weight
GOOG	14	0.013121
AMZN	96	0.094529
KO	303	0.186229
PG	178	0.268701
JPM	54	0.077774
BRK-B	12	0.038214
SPY	11	0.043014
GLD	156	0.278452
Funds left		\$7.07

Returns = 0.141059  
Volatility= 0.135931  
Sharpe Ratio=1.0377

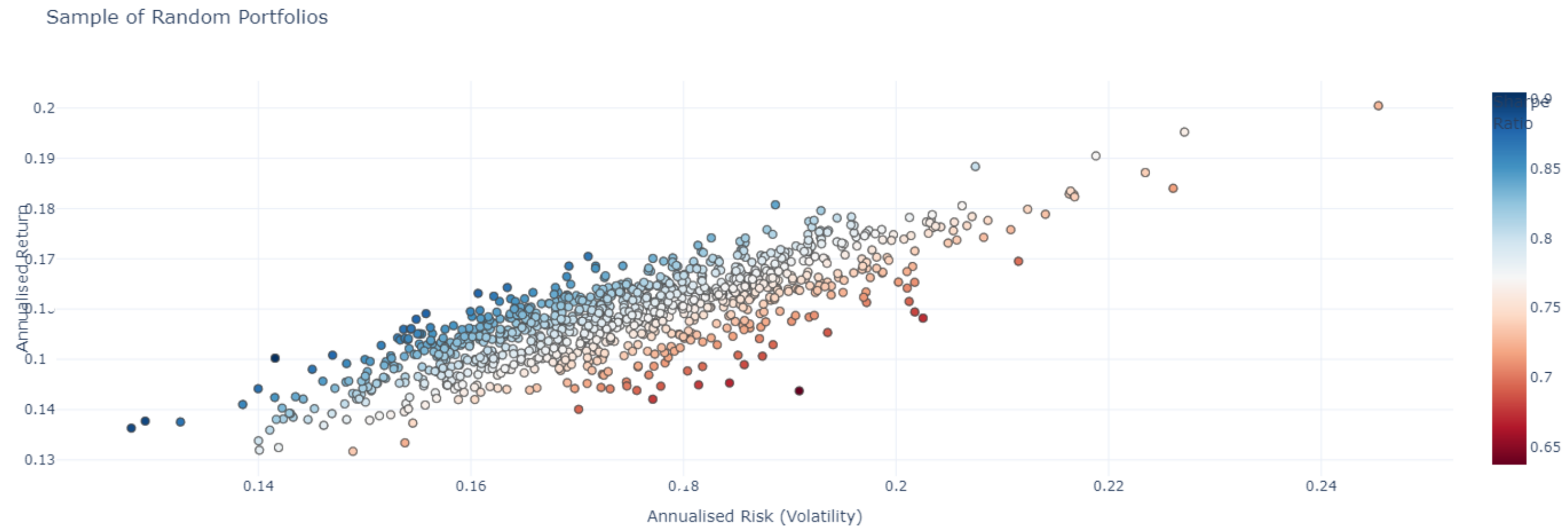


# DIAMOND PORTFOLIO

Asset	Shares	Weight
GOOG	60	0.036238
AMZN	289	0.280254
KO	108	0.057016
PG	139	0.205716
JPM	7	0.004776
BRK-B	2	0.069
SPY	11	0.043442
GLD	171	0.303558
Funds left		\$1,881

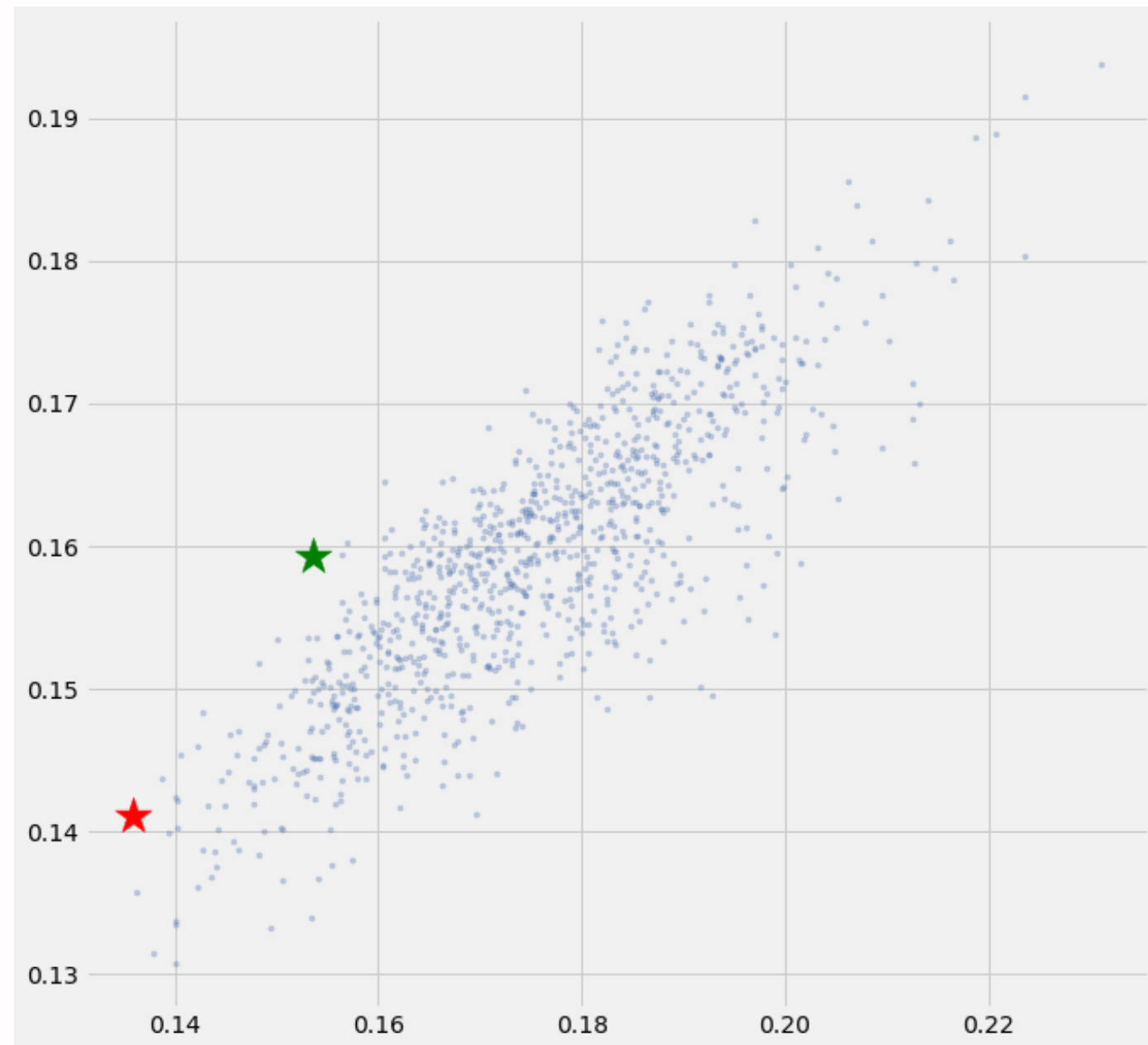
Returns = 0.141059  
Volatility= 0.135931  
Sharpe Ratio=1.0377

# EFFIECIENCY FRONTIER OF PORTFOLIO



With a sample of 1000 random portfolios we are able to see the efficiency curve of this portfolio.

# EFFICIENCY FRONTIER | GOLD AND SILVER PORTFOLIOS



Green Star: Gold Portfolio  
Red Star: Silver Portfolio

Here is the efficiency curve with the two  
portfolios that are on the efficiency  
curve. (Gold and Silver)



# CONCLUSION

Using modern portfolio theory and diversification we believe that choosing the Gold portfolio allows for the same diminished risk with higher returns when compared to the Silver Portfolio. (They both have the same sharpe ratio). We do not recommend the Risky Portfolio, being that it is not on the efficiency curve, and therefore is not optimal portfolio.

GOLD	NOW ITS UP TO YOU.
SILVER	WE ARE HERE TO ASSIST IN
DIAMOND	ALL YOUR INVESTING NEEDS.

