**REPORT**

**6 (i)**

*23.12.2022*

Investment are made by individuals and organizations in order to grow their financial module from the returns obtained from them. The aim of the report is to analyze all of our 6 portfolios coherently present in our company, compare between them and request fundamentally as to which portfolio is of ideal nature. I humbly request you to please consider any errors/misinterpretation occurred in this Report, and I apologize for the same.

There are 6 investors in total: - A (with HDFC stocks), B (with ONGC stocks), and C (with SPICEJET stocks), and D

(With HDFC and ONGC), E (with ONGC and SPICEJET), F (HDFC and SPICEJET) respectively. Investor A,B,C has unistock profile whereas investor D,E,F have a 2-stock profile with equal weights respectively. Dear sir/Madam, we have created bullet points of each investor, wherein we have compared them to other respective investors. The bullet points are as follows: -

**Investor A:-** When scaled to 10,we see that average of investor A is highest in all of three, which in turn inculcate risk of return in his/her portfolio. Variance of investor A is quite close to average, proving it to be almost symmetrical. Also, it is the highest amongst all three, leading to either a humongous profit or loss. I would like to conclude that investing method of A is a bit aggressive, with a slight turnover of risk.

**Investor B: -** Investor B has acquired middle value in all the three (in terms of average) investors. In terms of Variance, it has a neutral nature. It is the perfect example of portfolio with optimal risk of return as well as minimum loss of investment. Similar to A, B also has an almost symmetrical distribution. In concluding sense, investor B is the perfect epitome of optimal risk portfolio, with Vision of long time investment.

**Investor C: -** Investor C has the least average of all the investors, which would indirectly affect the expected return of him/her. In the terms of variance, it will incur least loss relative to the amount invested by the investor. Similar to A and B, its average is almost equal to the variance, leading to almost concentrated data.

**Investor D:** - The profile of investor D has 2 stocks in its portfolio, with equal weightage given to both of them. The expected value of HDFC is greater than ONGC, on the other hand the expected variance of ONGC is greater than HDFC. Covariance of these brands is positive and correlation is positive, which would result in lower stability of portfolio. In conclusion, D has a portfolio who is sensitive to loss, as both the variables over here are unidirectional in nature.

**Investor E: -** The profile of investor D also has 2 stocks with equal weightage, with different values of experimental tools. Asset with higher expected value amongst the two is ONGC, while variance of ONGC is low in comparison with SPICEJET. Covariance between these two similar to D though the correlation of these is negative. Negative correlation would Point that it is an epitome of optimal risk portfolio, with both the assets variable in e different relations. Therefore, this portfolio has a perfect combination of 2 assets having equal weightage, smaller covariance and negative correlation.

**Investor F: -** The profile of investor F has 2 stocks with equal weightage. Expected return and variance of this portfolio are both greater in value in case of HDFC. Covariance of these assets is accurately close to zero, hence these variables are more independent compared to the above two. Similar to investor E, the data depicts negative correlation, which would manage their expected risk percentage efficiently. Thus, it is quite a good strategy to merge these stock brand, but in actual scenario, it is quite as but inefficient in ape with investor E.

Dear Sir, There are primarily two types of data in this portfolio analysis: uni-Asset and 2-Asset portfolio. Sir, out of these two categories I would humbly request you to consider 2-Asset portfolio as diversified portfolio are more reliable and would lead to outperformance in investment.

From a broad asset allocation perspective, one may be able to find other asset classes that are loosely correlated with the major indexes but can also deliver longer-term out-performance based on their current valuation. Additionally, investing in non-correlated/negative-correlated assets minimizes portfolio volatility during turbulent times, allowing one to stay the course and not liquidate portfolio during potentially favorable conditions. If one was living off of investments at least some portion of assets should be in bonds/cash to avoid market fluctuations. Some feel that a decent portion of assets should be in bonds during the accumulation phase as well. Thus Sir, I would be honored off you consider my argument towards 2 Asset portfolio and make your decision accordingly.

**TASK6 (ii):-**

We would like to honestly thank our Teacher Surbhi ma'am for this amazing project! It was only possible due to the combined teamwork of all the participants of this project. Tanishtha, Aakanksha and Bhavya did each of the first three tasks in the project with allotted question number as 2, 1 and 3 respectively. We completed our first 3 tasks by conducting an online meet, wherein we discussed and planned our next set. Bhavya did tasks 4, 5 (ii) and combined the files; task 5 (i) was done by Tanishtha and task 6 was done by Aakanksha. We conducted another meet in this period to attend doubts of each other. For reference part, we actively read our prescribed reference books and researched on Investopedia for the same.

***Thank you!***