Fi8000: Stock-Trak Written Assignment

The objective for this written assignment is to evaluate your portfolio in the context of subjects and material covered in this course. Your grade on this assignment will be based on your discussion of your portfolio and trades, and the extent to which you followed the original assignment’s constraints and guidelines on trading.

**Your written analysis should be limited to two double-spaced 12pt, typewritten pages.** You may add a small number of tables or figures on additional pages to help make your point. **This assignment is due on the day of the final exam.** You may turn in the assignment earlier if you wish.

In your written analysis, you may want to consider some of the following issues.

- What was your portfolio performance in the context of portfolio theory or equilibrium pricing theory?
- What was the source of your portfolio’s performance – systematic or unsystematic risk?
- How were derivatives used in your portfolio? Hedging? Speculating?
- What degree of interest rate risk exposure did your portfolio have?
- What trades would you do differently with the information you have now learned in Fi8000? This does not mean, what trades you regret simply because you lost money. Instead, knowing what you now know from Fi8000, how would you approach this exercise (or your real portfolio) differently in the future?
- Given what you know about market efficiency, were your profits/losses due to skill, luck, balance of risk and return, insider information, …? If you conclude that you are one of the most skilled traders in the world, you must be able to justify such a statement. Otherwise, to what do you attribute your portfolio’s performance?

**Do not answer these questions one-by-one.** Rather, your well-written analysis will address these issues collectively. Your analysis should be well-organized with an introduction, body, and conclusion. There should be a central thesis or theme to your write-up.

Also, do not write a list of sentences for every trade that you made. You may want to pick out several trades that stand out and talk about others as a group. You might want to discuss your overall portfolio, identifying only a handful of trades as specific examples. The “meat” of your written report should relate portfolio management principles (risk, return, and diversification) to how your portfolio actually performed.