STOCK TRAK PROJECT PART II

FI 412
INVESTMENTS

OBJECTIVE: The purpose of this project is to evaluate your Stock Trak portfolio performance from this semester.

PART I: STRATEGIC ANALYSIS
Evaluate your strategy and your ability to effectively implement this strategy. Consider the following questions:

Do you feel the selections you made and the investment strategies you took were appropriate given the investment objectives and target risk/return goals that you selected?

What specific steps did you take during the semester to attempt to adjust your portfolio to better achieve your target? How successful were these steps? How did you incorporate the market/economic information presented in class to your portfolio?

What did learn anything about short-term trading? Market timing? Trading on news? Economic indicators? Technical analysis?

Evaluate your absolute performance on the project. Apply concepts we learned in class to your portfolio. What did you learn? What would you do differently?

PART II: PERFORMANCE EVALUATION
For your equity allocation, create a spreadsheet listing the name of the company, the company symbol, number of shares owned, purchase price, current price, dollar gain or loss.

Discuss which securities were "winners/losers" in your portfolio and how they affected your overall performance?

Create at least three graphs

Plotting the total market value of your portfolio over time. If there are any dramatic movements, what drove the changes?

Plotting the market value of a key stock in your portfolio over time. Discuss any dramatic changes in the market value due to new information.

Compare your compound return to the return on the S&P 500, the Dow, and the NASDAQ over the same time period. Did you outperform these averages? Discuss why these are or are not good measures of your performance.

PART III:RISK ADJUSTED PERFORMANCE EVALUATION
Use the Sharpe performance measure to evaluate your performance.

Use the Treynor Ratio to measure to evaluate your performance. You will need to use your portfolio's daily returns and the return on the S&P 500 to generate your portfolio's Beta for this measure. (The numerator is the same as the Sharpe Ratio).

Generate Jensen's alpha for your portfolio using regression method discussed in class. Also generate Fama French 4 factor model.

Discuss these performance ratios, what they measure, how they can be used and their limitations. Why is risk adjusted performance important relative to absolute performance?

Your report should be professionally written, and leave little doubt that you clearly understand your trading activity and the measures used to evaluate your portfolio's performance. This assignment is due during your class final exam time.

Evaluation Criteria

Name:	Professional (100%-90%)	Proficient (89%-80%)	Developing (79%-70%)	Undeveloped (69%-0%)
Clear discussion of how selections contributed to investment objectives and target allocation				
Analyze changes in the portfolio and steps you took rebalance the portfolio/better achieve your target				
Was the market information presented in class incorporated into the strategy and discussed?				
Disucssion of Short-Term Trading/Market Timing/Economic Indicators/Technical Analysis/etc/				
Accurate appraisal of their absolute performance including a discussion of concepts we learned in class				
Discussion of equity allocation performance				
Is there a correct graph of market value of portfolio and analysis of major changes?				
Is there a correct graph and discussion of movement in market value of a key stock?				
Graphs and discussion of which index is most appropriate				
Accurate computation and discussion of the Sharpe Ratio				
Accurate computation and discussion of the Treynor Ratio				
Accurate computation and discussion of Jensen's and Fama French Alpha				

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