* __Modern Portfolio theory :-__ [__MPT__]
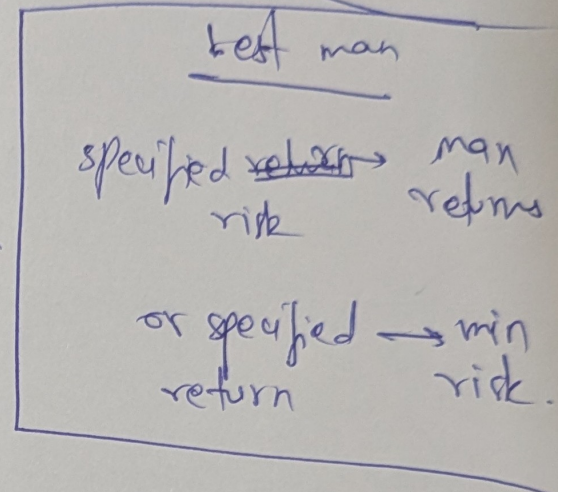
→ max return for a specified ~~return~~ risk

→ only 1 measure of risk :-
 variance or std dev".

→ There are some ~~Assumptions:-~~ also of MPT. :-

__Notes__ - ① Investors make decisions purely on basis of expected return & variance.

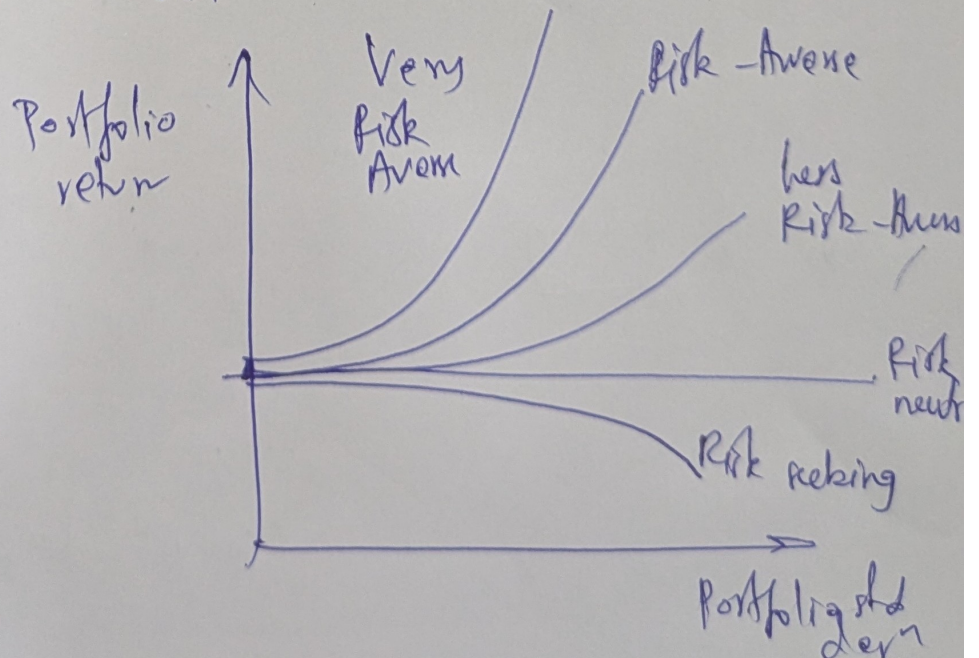② Assets may be held in any amount, short selling is possible.

⊛ __Indifference curves :-__

~~UCU~~ (utility :- satisfaction)
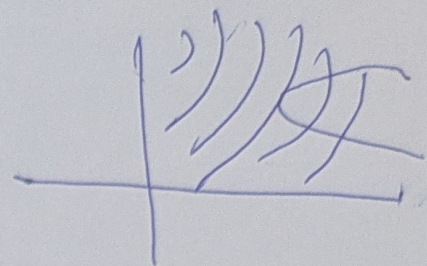 → describes investor demand for portfolios based on trade-off b/w expected return & risk.

Portfolio: A collection of financial assets like stocks, bonds, real estate & cash

best max

specified → max risk returns

or specified → min return risk.

satiated means satisfied.

~~averse~~ → having averse
a strong dislike or sth.

Portfolio return — Very Risk Averse — Risk-Averse — less Risk-Averse — Risk neutral — Risk seeking — Portfolio std dev"

Efficient ✳✳✳✳
Portfolio Let Utility function become a tangent to the indifference
curve — choose that curve

Sharp ratio = $\dfrac{\text{return}}{\text{Std dev}^n}$

Sector Investments
_____
Mutual Funds in
Pharmaceutical companies'
etc

∠

* factor investing
_____
Identifying whic factors result in return &
using those factors & creating a portfolios

Price to book . = $\dfrac{\text{Market value of share}}{\text{Book value of share}}$

⊛ Backtesting

SMA → short term moving Avg
LMA → long term moving avg
SMA > LMA : Buy

might backtian also lol!.