QUESTION 7 - PORTFOLIO CONSTRUCTION

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1. Short Introduction

For this question I will construct a Global Balanced Index Fund portfolio using a mix of traded global indexes.

To achieve a balanced index fund I will take the following considerations:

- A look-back of less than 3 years
- Disregard any assets with less than 3 years' returns data
- Apply Quarterly Rebalancing
- Limit exposure to Bonds and credit instruments at 25%
- Limit exposure to Equities at 60%
- Limit single asset exposure at 40%

```
## # A tibble: 10 x 7
##    stocks                          mv minvol maxdecor sharpe date       Look_B~1
##    <chr>                        <dbl>  <dbl>    <dbl>  <dbl> <date>        <dbl>
##  1 Asia_dollar_Idx             0.0100 0.375    0.375  0.0769 2018-06-29       12
##  2 Bbg_EUCorpCred_Unhedged_USD 0.0100 0.0100   0.0100 0.0769 2018-06-29       12
##  3 Bbg_EuroBonds_UnhedgedEUR   0.0100 0.0100   0.0100 0.0769 2018-06-29       12
##  4 Bbg_GlBonds_HedgedUSD       0.0100 0.0395   0.0395 0.0769 2018-06-29       12
##  5 Bbg_GlCorpCred_Hedged_USD   0.0100 0.0100   0.0100 0.0769 2018-06-29       12
##  6 Bbg_USBonds_UnhedgedUSD     0.0100 0.246    0.246  0.0769 2018-06-29       12
##  7 Bbg_USCorpCred_Unhedged_USD 0.0100 0.0100   0.0100 0.0769 2018-06-29       12
##  8 Commod_Idx                  0.0100 0.01     0.01   0.0769 2018-06-29       12
##  9 Dollar_Idx                  0.0100 0.25     0.25   0.0769 2018-06-29       12
## 10 MSCI_ACWI                   0.400  0.0100   0.0100 0.0769 2018-06-29       12
## # ... with abbreviated variable name 1: Look_Back_Period
```