

## **Portfolio Analysis and Optimization Report**

### **Overview of Portfolio Performance:**

- **Total Invested:** \$1120.00
- **Total Current Value:** \$2228.11
- **Total Profit/Loss:** \$1108.11
- **Overall Return Percent:** 98.94%

### **Detailed Investment Breakdown:**

#### **1. Apple (AAPL):**

- **Quantity:** 10.0
- **Purchase Price:** \$100.00
- **Current Price:** \$222.811
- **Invested:** \$1000.00
- **Current Value:** \$2228.11
- **Profit/Loss:** \$1228.11
- **Profit/Loss Percent:** 122.811%
- **Allocation Percentage:** 100% (of positive investment)

#### **2. Amazon (AMAZON):**

- **Quantity:** 1.0

- **Purchase Price:** \$120.00
- **Current Price:** \$0.00
- **Invested:** \$120.00
- **Current Value:** \$0.00
- **Profit/Loss:** -\$120.00
- **Profit/Loss Percent:** -100.0%
- **Allocation Percentage:** 0% (of positive investment)

#### **Analysis of Current Portfolio:**

- The portfolio shows a significant **overall gain** but is **heavily skewed towards AAPL**, representing 100% of the positive investment.
- The **loss in AMAZON**, though smaller, underscores the **lack of diversification** and the associated risks.

#### **Optimization Recommendations for Medium Risk Tolerance:**

##### **1. Diversification Across Sectors and Asset Classes:**

- **Broaden Sector Exposure:** Currently focused on technology, it's advisable to include sectors like healthcare, consumer goods, and financial services.
- **Incorporate Bonds and ETFs:** Adding fixed-income securities and ETFs will help provide steady income and reduce volatility.

##### **2. Rebalance the Equity Portfolio:**

- **Reduce AAPL Exposure:** Given the high concentration in AAPL, reducing this exposure is crucial to mitigate specific asset risk and enhance portfolio resilience.

**Conclusion:**

The portfolio, while profitable, is currently positioned with high risk due to over-concentration in a single stock and a complete loss in another. The recommendations provided aim to realign the portfolio to a medium risk profile by enhancing diversification and reducing unsystematic risk. Implementing these strategies will help in achieving a more stable and less volatile investment portfolio.