

Portfolio Analysis and Optimization Report

Overview of Current Portfolio

Key Metrics:

- **Total Invested:** \$2,200.00
- **Total Current Value:** \$2,237.50
- **Total Profit/Loss:** \$37.50
- **Overall Return Percent:** 1.70%

Portfolio Composition:

- **AAPL (Apple Inc.):**
 - **Quantity:** 10.0 shares
 - **Purchase Price:** \$100.00 per share
 - **Current Price:** \$223.75 per share
 - **Invested:** \$1,000.00
 - **Current Value:** \$2,237.50
 - **Profit/Loss:** \$1,237.50
 - **Profit/Loss Percent:** 123.75%
 - **Allocation Percentage:** 100% of current portfolio value
- **NVIDIA:**

- **Quantity:** 12.0 shares
- **Purchase Price:** \$100.00 per share
- **Current Price:** \$0.00 per share
- **Invested:** \$1,200.00
- **Current Value:** \$0.00
- **Profit/Loss:** -\$1,200.00
- **Profit/Loss Percent:** -100%
- **Allocation Percentage:** 0% of current portfolio value

Optimization Recommendations

Diversification:

- **Current Issue:** The portfolio is extremely concentrated in AAPL, with NVIDIA holding no value.
- **Recommendation:** **Diversify the portfolio** across different sectors such as healthcare, consumer goods, and utilities, and consider adding bonds or REITs.

Rebalancing:

- **Current Issue:** AAPL's disproportionate growth has led to an overexposure to the tech sector.
- **Recommendation:** **Rebalance the portfolio** annually or semi-annually by trimming AAPL and reinvesting in diversified assets.

Risk Management:

- **Current Issue:** Complete depreciation of NVIDIA highlights the absence of protective measures.

- **Recommendation:** Implement **stop-loss orders** and engage in continuous monitoring and dynamic adjustment based on market conditions.

Return Optimization:

- **Current Issue:** Modest overall return of 1.7% despite substantial gains in AAPL.

- **Recommendation:** Explore strategic asset allocation to potentially increase returns, suitable for a medium risk profile.

Conclusion

The current portfolio shows a strong dependency on AAPL with significant gains but suffers from poor diversification and risk management, as evidenced by the total loss in NVIDIA. The recommendations provided aim to stabilize returns, reduce volatility, and protect against significant losses through diversification, rebalancing, and risk management strategies. Implementing these changes will help align the portfolio more closely with a medium risk tolerance and aim for improved return optimization.