

Analyze a Diverse Portfolio

The purpose of this activity is for students to practice analyzing the diversification of different portfolios. You will also gain experience researching different asset classes.

Part 1: Calculate

Analyze the 2 Portfolios and calculate the percentage of each investment as a percentage of the total portfolio value. You can calculate the percentage of a portfolio position by dividing the quantity by the total portfolio value.

PORTFOLIO A				PORTFOLIO B			
Symbol	Quantity (\$)	Industry	% Of Portfolio	Symbol	Quantity (\$)	Industry	% Of Portfolio
ORCL	\$100	Software		SBUX	\$200	Staple	
CITI	\$100	Bank		TIF	\$150	Discretionary	
SHW	\$100	Chemicals		JPM	\$50	Bank	
GOOGL	\$100	Technology		CWX	\$300	Logistics	
ALL	\$100	Insurance		GM	\$125	Automotive	
CWX	\$100	Logistics		GE	\$185	Utilities	
RAIL	\$100	Logistics		VZ	\$85	Communications	
Total Portfolio:	\$700	-	100%	Total Portfolio:	\$1,095	-	100%

Part 2: Analyze

Think in groups of 3-5 and decide which of the portfolios is more diverse. Prepare for one member of your group to present to the class explaining how you decided your answer.

Part 3: Implement

Using the stocks above, adjust the percentages of the portfolio to create an even more diversified portfolio that fits what we have learned about investing in different industries in similar amounts. Think in your group about ways to make this portfolio more diverse by adding new investments and add 2 stocks to your portfolio.