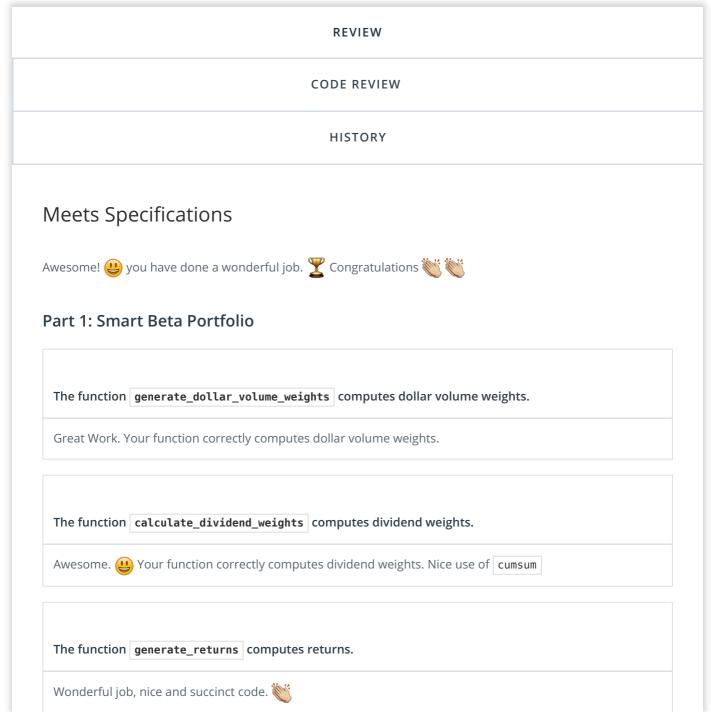


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## Smart Beta Portfolio and Portfolio Optimization



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The function | generate\_weighted\_returns | computes weighted returns.

Good work. You correctly computed weighted returns.

The function calculate\_cumulative\_returns computes cumulative returns.



The function tracking\_error computes tracking error.

Good work. You correctly computed tracking error.

## Part 2: Portfolio Optimization

The function get\_covariance\_returns computes covariance of the returns.

Well done, an alternative fast way:

return np.cov(returns.fillna(0), rowvar=False)

The function get\_optimal\_weights computes optimal weights.

Great Work. Up This was a tough function to implement, you successfully computed the optimal weights.

The function rebalance\_portfolio computes weights for each rebalancing of the portfolio.



The function get\_portfolio\_turnover computes cost of all the rebalancing.

Excellent work!

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