

# Project 2: Optimization

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**Abstract**—In this project, we optimized a stock portfolio by maximizing the Sharpe ratio using historical stock data. We started with equal weights for all assets in the portfolio, which included the stocks: IBM, X, GLD, and JPM, for the period from June 1, 2008, to June 1, 2009. By adjusting the allocations of assets, we identified the optimal weights that provide the best risk-adjusted return. The final results were compared with the performance of the SPY index.

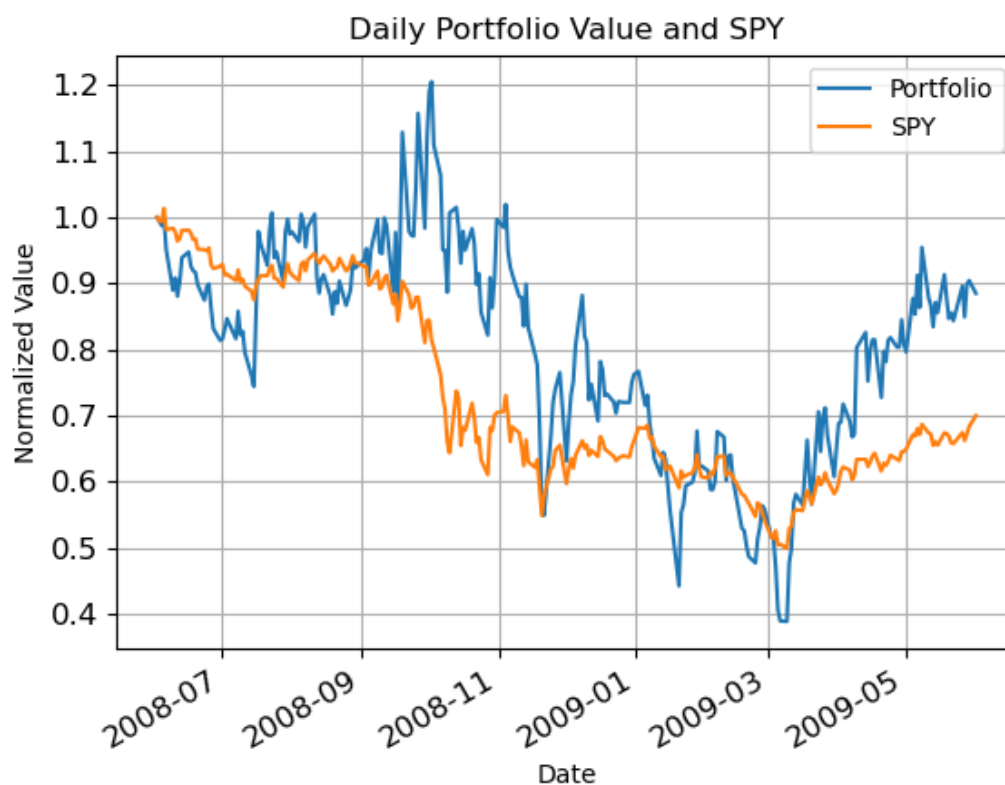


Figure 1—Daily Portfolio Value vs SPY