Quiz:

Main question: whats the issue

* Presentation to endowment managers

2. strat of pro index

-timing the market

3. What is her main concern of her

-short positions, college endowments like steady safe investments

**ASSIGNMENT QUESTIONS: “Thompson Asset Management”**

1. What are the return and risk characteristics of the ProIndex fund, calculating the statistics as outlined in case Exhibit 4?
   1. Definition of metrics in case
   2. Calculate all for each fund
   3. Compare those metrics to benchmark
      1. Risk free rate is assumed use R­f = 2% annual
2. What are the return and risk characteristics of the ProValue fund?
   1. Same as 1.
3. What statistics and portfolio characteristics should TAM present, assuming different levels of investment in the ProValue fund ($5 million, $10 million, and $15 million)?
   1. Mean variance optimization for a portfolio Markowitz,
      1. Mathmatically optimized risk to return: sharpe ratio

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | 1 | 2 | 3 | N |
| 1 |  |  |  |  |
| 2 |  | … |  |  |
| 3 |  |  |  |  |
| N |  |  |  |  |