

# TASK 3

**Title:** Investment Portfolio Creation

**Internship Task:** Task 3- Investment Portfolio Creation

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## 1. Introduction

The purpose of this project is to create a hypothetical investment portfolio worth ₹1,00,000.

The portfolio is designed by allocating funds across different asset classes such as **stocks, ETFs, and cryptocurrencies**.

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## 2. Objective of the Portfolio

The objective of this investment portfolio is to achieve **long-term capital growth** while maintaining **moderate risk** through diversification across **stocks, ETFs, and cryptocurrencies**.

The portfolio is suitable for a **young investor** with a **medium to high risk appetite** and a **long-term investment horizon (5–10 years)**.

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## 3. Asset Allocation Strategy

<u>Asset Class</u>	<u>Allocation (%)</u>	<u>Amount (₹)</u>
Stocks	50%	₹50,000
ETFs	30%	₹30,000
Cryptocurrency	20%	₹20,000
Total	100%	₹1,00,000

### Reason:

- Stocks provide high growth potential
  - ETFs provide stability and diversification
  - Crypto provides high-risk, high-return exposure
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## 4. Rationale

### A) Stock Allocation (₹50,000)

- **Reliance:** Market leader with diversified business (Retail, Jio, Energy)
- **TCS:** Stable IT giant with consistent earnings
- **HDFC Bank:** Strong fundamentals and banking growth

### B) ETF Allocation (₹30,000)

- **Nifty 50 ETF** gives exposure to top 50 Indian companies
- **Gold ETF** acts as a hedge against inflation
- **Bank Nifty ETF** benefits from growth in banking sector

### C) Cryptocurrency Allocation (₹20,000)

- **Bitcoin:** Store of value and market leader
  - **Ethereum:** Strong use case in smart contracts and DeFi
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## 5. Risk Analysis

Asset Class	Risk Level
Stocks	Medium
ETFs	Low to Medium
Cryptocurrency	High

- Portfolio risk is **moderate to high**
  - Crypto portion is limited to **20%** to control volatility
  - ETFs help in **risk balancing**
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## 6. Expected Returns (Hypothetical)

Asset Class	Expected Annual Return
Stocks	12% – 15%
ETFs	8% – 10%
Crypto	15% – 25%

**Overall Expected Portfolio Return:**  
**12% – 14% annually (long term)**

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## 7. Conclusion

This diversified investment portfolio balances **growth and stability** by combining stocks, ETFs, and cryptocurrencies.

It is suitable for investors seeking **long-term wealth creation** with a controlled level of risk.