

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**.

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)**.

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
<ul style="list-style-type: none">• Portfolio risk is moderate to high• Crypto portion is limited to 20% to control volatility• ETFs help in risk balancing	

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)

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.