

Final Portfolio Simulation

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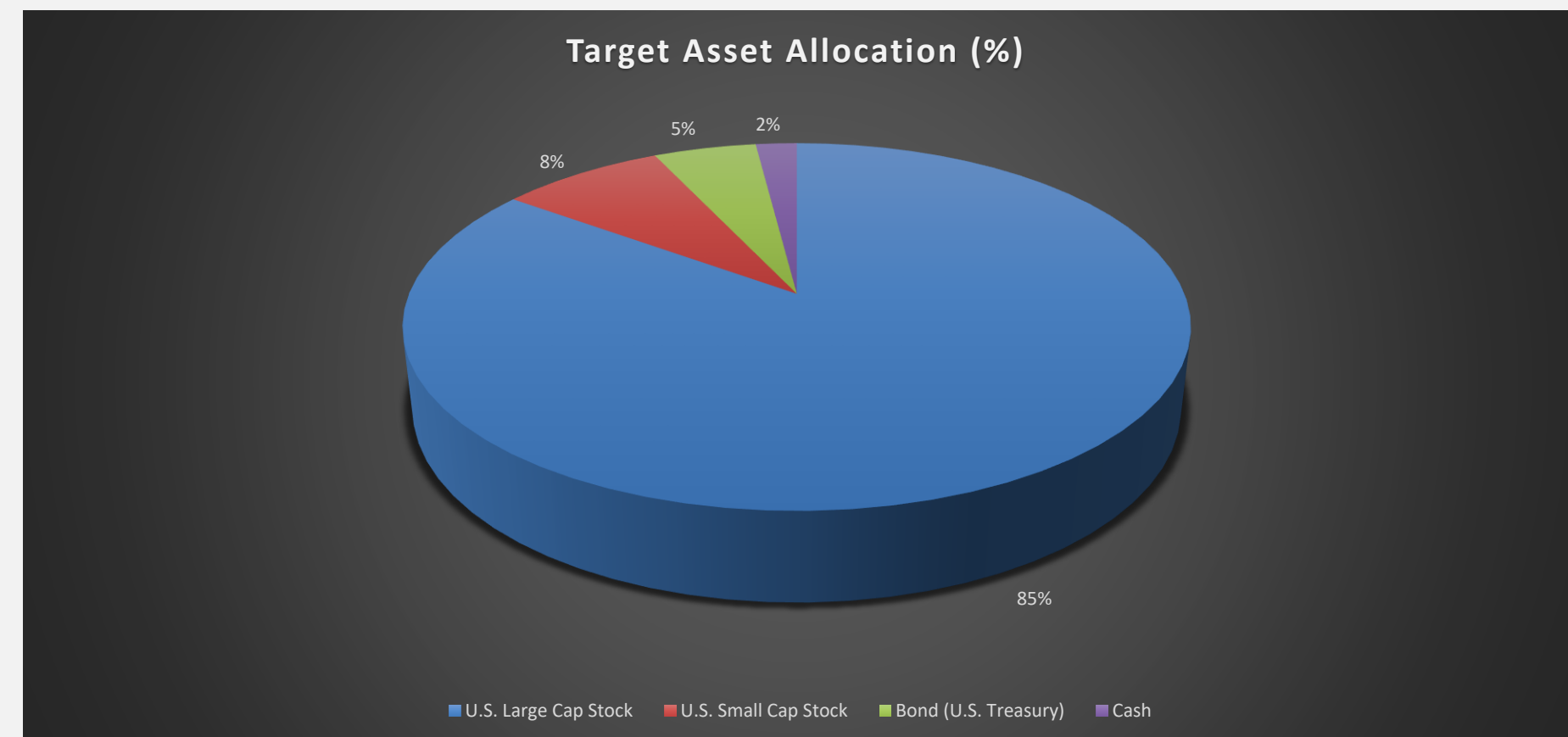
Portfolio Objectives and Plan

With a high-risk tolerance we planned on investing primarily in U.S. equities

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- Heavy focus on technology sector
 - Take advantage of the AI boom in different ways
 - Small caps and bonds could have opportunities if interest rates declined
 - Diversify in multiple companies to eliminate idiosyncratic risk
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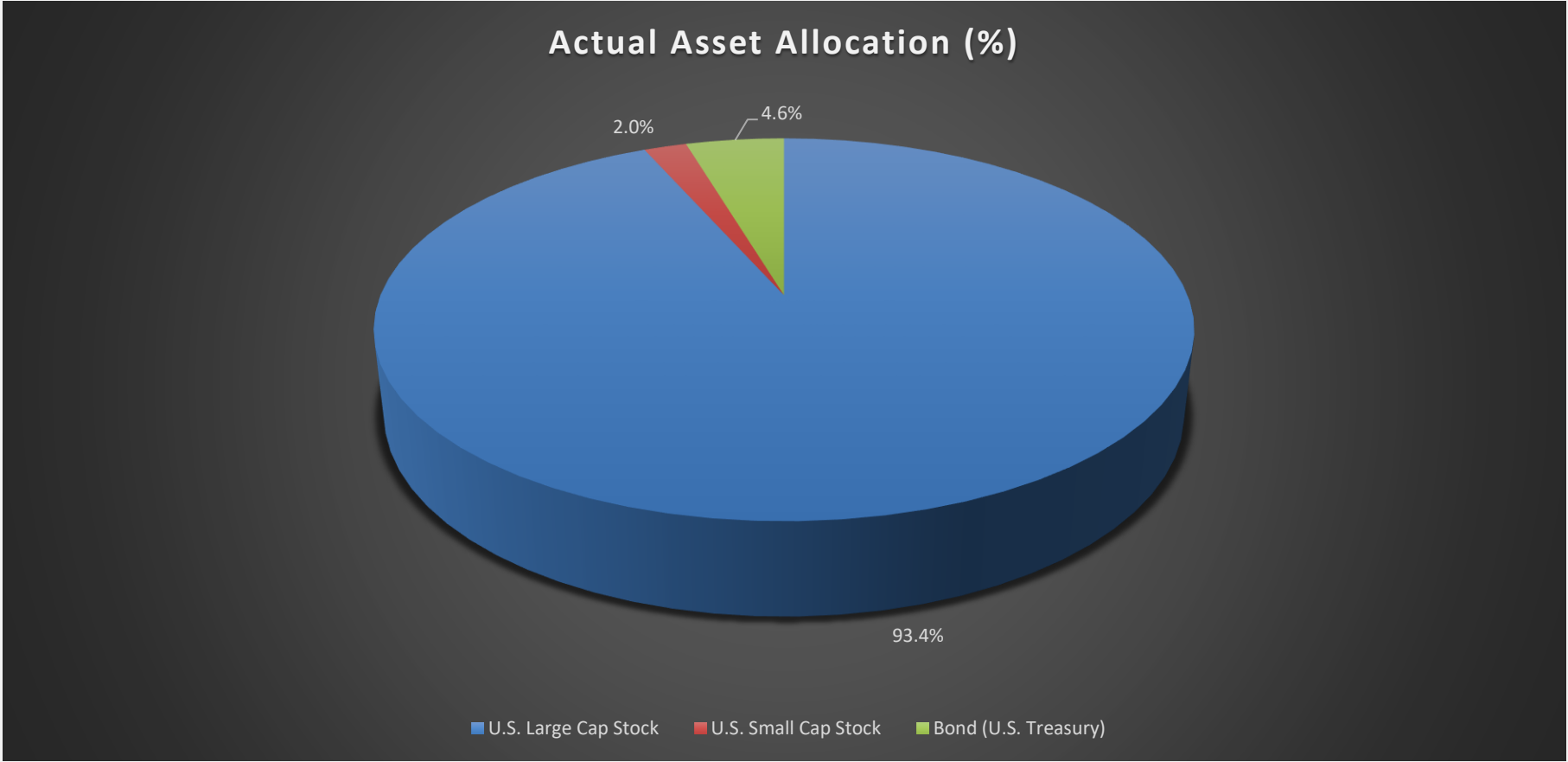
Target Asset Allocation

Asset Class	Target Asset Allocation (%)
U.S. Large Cap Stock	85%
U.S. Small Cap Stock	8%
Bond (U.S. Treasury)	5%
Cash	2%
Total	100%



Actual Asset Allocation

Asset Class	Actual Asset Allocation (%)
U.S. Large Cap Stock	93.4%
U.S. Small Cap Stock	2.0%
Bond (U.S. Treasury)	4.6%
Cash	0.0%
Total	100%



Best Trading Decision – (ORCL)

Summary of Trade

- Purchased 200 shares of ORCL on March 7 on anticipation of earnings for the week of (3/11 – 3/15)
 - Additional 50 shares – \$29,135 invested
- Capitalizing on market sentiment on AI chip sector continuing an upward trend.
- Earnings report beat expectations.
- Sold all 250 shares for \$31,660, realizing a net profit of \$2,525, 7.98%.

The Oracle logo, consisting of the word "ORACLE" in a bold, red, sans-serif font.

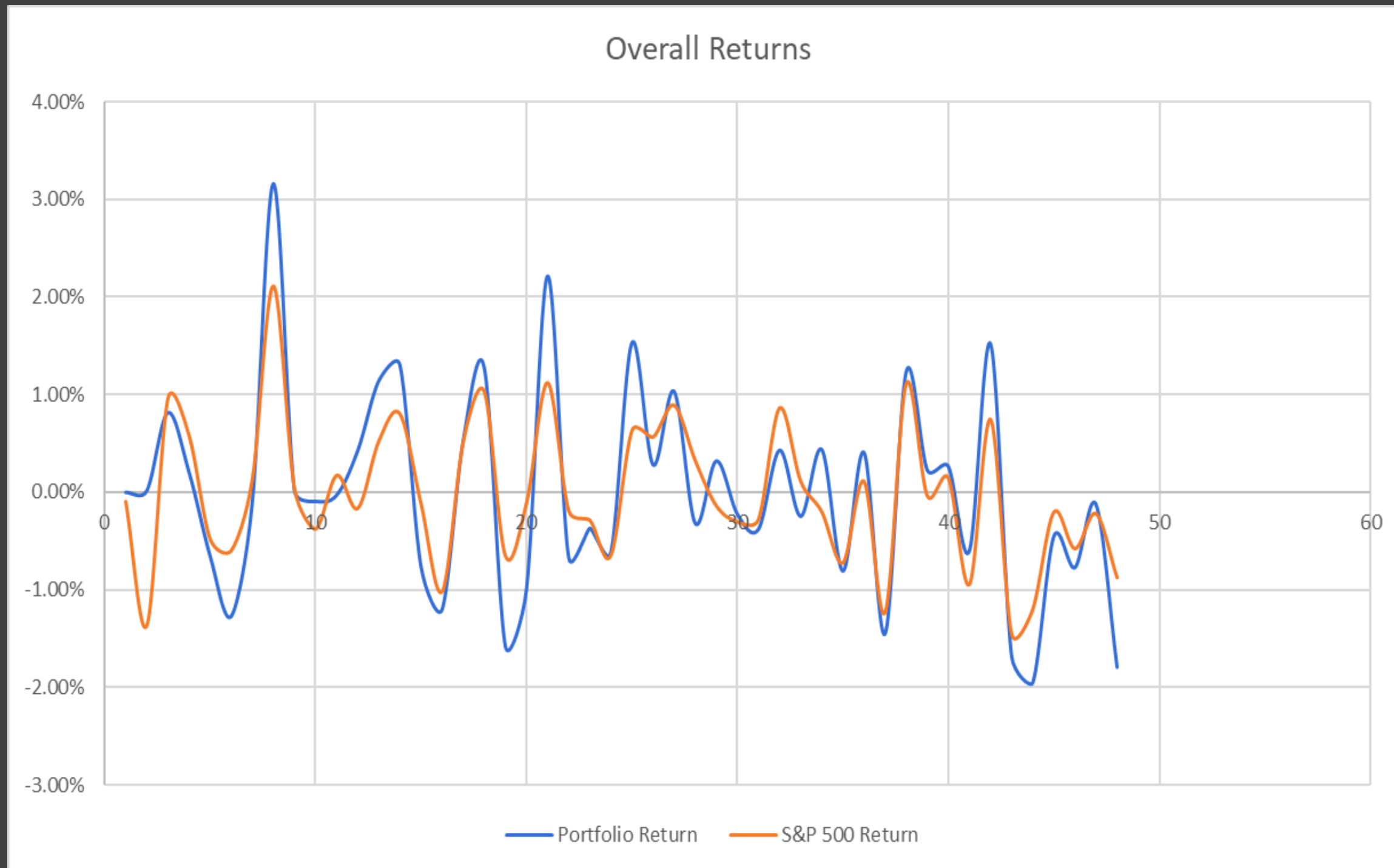
Worst Trading Decision – (AMD)

Summary of Trade

- Purchased initial 170 shares at \$170.60, rallying on high demand for AI chipmakers. (3/27)
 - Additional 120 shares were purchased, without anticipating decline in price.
- Sold all 290 shares to re-enter position.
 - 380 shares purchased, totaling \$67,525.40
- Disappointing CPI Report, underwhelming earnings, bad timing, and waning demand in AI.
- Ended with a P/L of **-17.48%** and a **-\$11,802.20 loss**



Overall Portfolio Returns



Team Portfolio: **-0.60%**

S&P 500: **-1.18%**

Sharpe Ratio/CAPM

	Our Portfolio	S&P 500
<i>Sharpe Ratio</i>	<i>-0.0271</i>	<i>-0.0579</i>
Standard Deviation	1.044%	0.744%
Risk-free Rate	0.021%	0.021%
Expected Return	-0.007%	-0.022%

- Portfolio generated higher Sharpe Ratio than S&P 500
- Consistent with portfolio returns

Alpha: 0.0002

- $\alpha = 0$, follows the S&P 500

P-value of Alpha: 73.46%

- Greater than 10%, 5%, 1% thresholds
- Statistically insignificant

Beta: 1.2324

- $\beta > 1$, moves more aggressive than S&P 500
-

CAPM Benchmark

↓ Regression Outputs

SUMMARY OUTPUT

Regression Statistics	
Multiple R	0.8783
R Square	0.7715
Adjusted R Square	0.7665
Standard Error	0.0050
Observations	48

ANOVA

	df	SS	MS	F	Significance F
Regression	1	0.003954	0.003954	155.28863	0.0000
Residual	46	0.001171	0.000025		
Total	47	0.005125			

		Coefficients	Standard Error	t Stat	P-value	Lower 95%	Upper 95%	Lower 95.0%	Upper 95.0%
Alpha	Intercept	0.0002	0.0007	0.3410	73.46%	-0.0012	0.0017	-0.0012	0.0017
Beta	Market Excess Return	1.2324	0.0989	12.4615	0.00%	1.0334	1.4315	1.0334	1.4315

WINNERS

Alphabet

Alphabet, Inc. (GOOGL)

**JPMORGAN
CHASE & CO.**

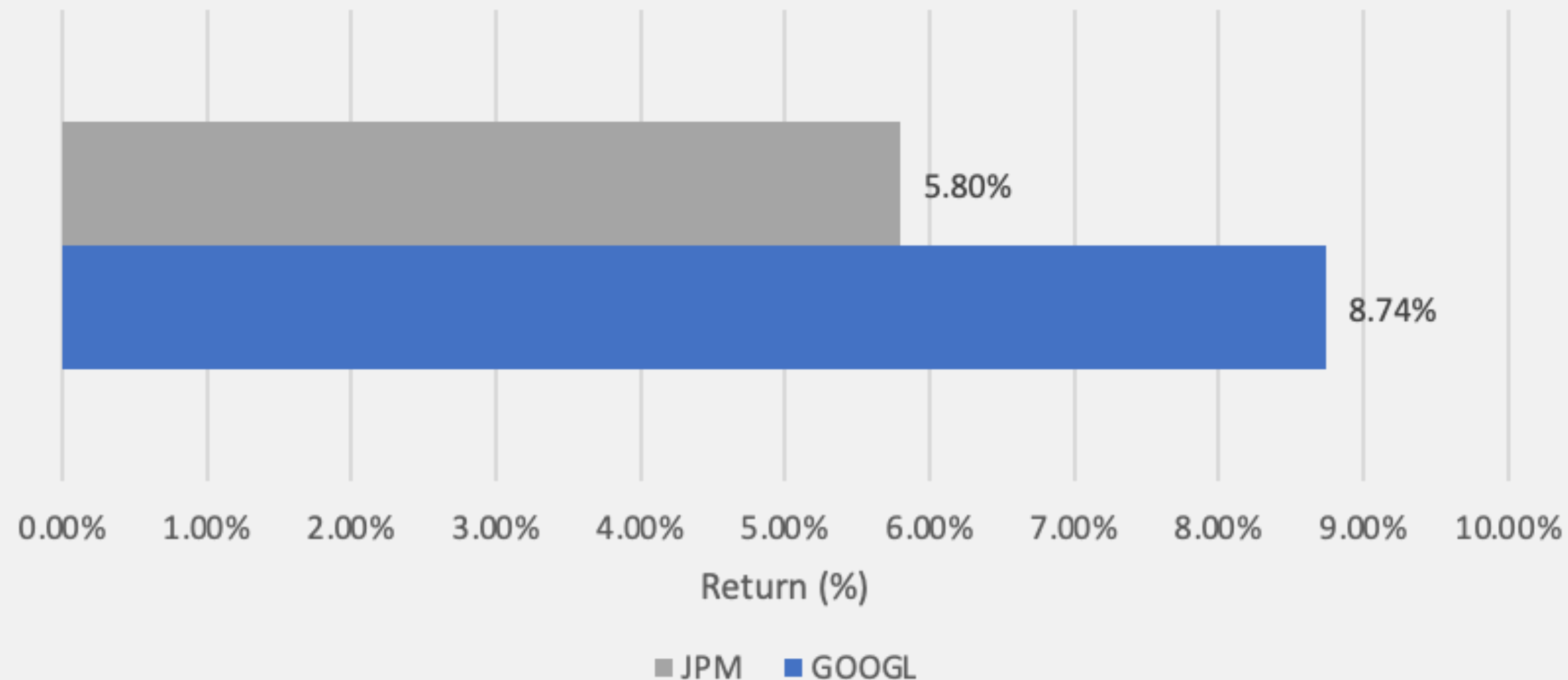
JPMorgan Chase & Co. (JPM)

- Gemini AI Chatbot rollout flop and subsequent rebound
- Talks of integration of Gemini AI with iPhones.
- Restructuring efforts to cut costs
- CPI Inflation report impact and rebound

- 6% profit increase in Q1 24
- Philanthropic commitment to housing
- Revenue increase and EPS of \$4.44
- Commercial Real Estate Sector Performance Expectations

P/L: \$ 10,153.00 Return (%): 8.74%

P/L: \$ 3,363.90 Return (%): 5.80%



LOSERS



Tesla, Inc. (TSLA)

- Lower forecasted sales and layoffs
- Missed vehicles delivery Expectations
- Executives Departures
- Low sales and increased competition in China

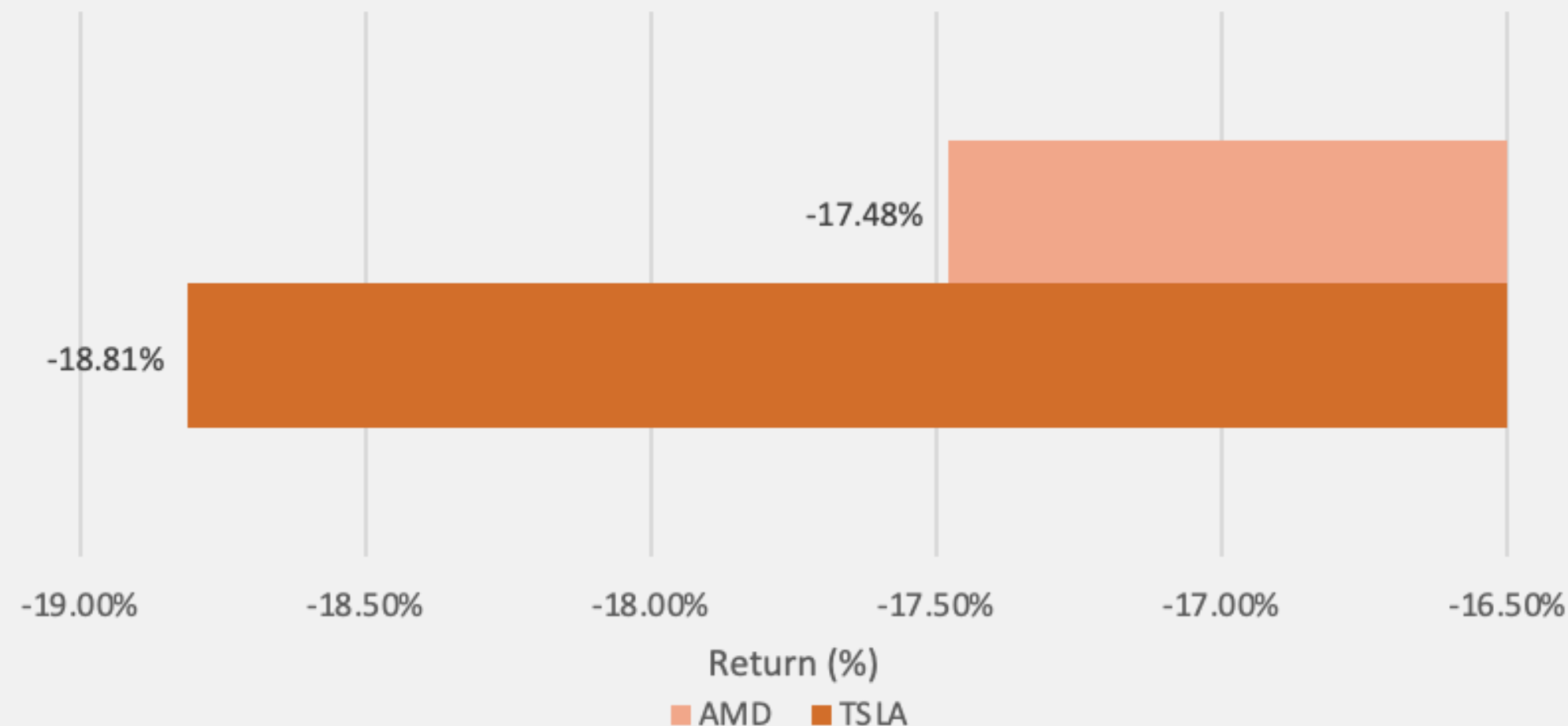
P/L: \$-15,327.95 Return (%): -18.81%



Advanced Micro Devices, Inc.
(AMD)

- Bad timing of re-entering position
- Underwhelming earnings and news
- Disappointing CPI report, behind competition
- Lackluster performance and projections from analysts

P/L: \$-11,802.20 Return (%): -17.48%



Key Takeaways

01 Guidance after earnings is most significant

04 Assess and diversify each holding

02 Don't be greedy, know when to cut losses and take profits

05 Actively follow company's financial activities and news through WSJ

03 Balance portfolio regularly

06 Do not make investment decisions based on emotions
