

## F334 Portfolio Analysis Final Project

- Due date for PowerPoint slides: April 11<sup>th</sup> at 6:30 pm
- Due date for Word document and template: April 18<sup>th</sup> at 6:30pm

Three things will need to be handed in for this project: a write-up, a template and a PowerPoint presentation. It's important that you talk about the questions in the PowerPoint slides, as well as the write-up, and the template.

Find three funds. They can come from the same firm or different firms. One fund must say 'Value' in the name of the fund. One fund must say 'Midcap' in the name of the fund. One fund can be of any type. No ETFs!

1. What is the market cap breakdown of the fund? Express comments and concerns.
2. Who is the mutual fund manager? Express comments and concerns.
3. What are the basic financial ratios for the fund? Express comments and concerns.
4. What is the geographic breakdown of the fund? Express comments and concerns.
5. What's the Morningstar rating of the fund?
6. What is the appropriate benchmark?
7. What are the 1 year, 3 year and 5 year returns of the benchmark?
8. What are the 1, 3 and 5 year returns of the fund?
9. What is the active risk of the fund with respect to the appropriate benchmark?
10. What 'type' of fund is it? (compare it to the chart given in class)
11. What % is the common factor risk and how does it break down into 'Industries' & 'Risk Indices'?
12. What does the Barra sector exposure look like? Express comments and concerns.
13. What does the Barra style risk exposure look like? Express comments and concerns.
14. What stocks add the most risk?
15. What stocks add the most style risk?
16. What stocks add the most sector risk?
17. Sell one stock that has a lot of sector risk. Replace the stock with a new appropriate stock. Explain why you sold the stock and why you added the other stock.
18. Sell one stock that has a lot of style risk. Replace the stock with a new appropriate stock. Explain why you sold the stock and why you added the other stock.
19. Sell one stock that is inappropriate/"out of place"/"does not belong" in the fund. Replace the stock with a new stock. Explain why you sold the stock and why you added the other stock.
20. Does the fund manager hold the stock that "seems out of place", in their other funds?
21. What is the information ratio for the fund?
22. Would you provide a salary increase for the fund manager? Why or why not?