It's my great pleasure introduce some of my views on portfolio to you here.

**OVERVIEW**

First of all, One of the biggest challenges faced by individuals and institutions is to decide how to invest for future needs.

For individuals, the goal might be to fund retirement needs.

For such institutions as insurance companies, the goal is to fund future liabilities in

the form of insurance claims, whereas endowments seek to provide income to meet

the ongoing needs of such institutions as universities. Regardless of the ultimate

goal, all face the same set of challenges that extend beyond just the choice of what

asset classes to invest in. They ultimately center on formulating basic principles that

determine how to think about investing.

One important question is: Should we invest in individual securities, evaluating each in isolation, or should we take a portfolio approach?

Which means evaluating individual securities in relation to their contribution to the incestment characteristics

And, a diversified portfolio perspective(Diversification and Risk reduction) is very important.

**PROCESS**

I think the portfolio management can be split into next following steps

The Planning Step

Understanding the client’s needs

Preparation of an investment policy statement (IPS)

The Execution Step

Asset allocation

Security analysis

Portfolio construction

The Feedback Step

Portfolio monitoring and rebalancing

Performance measurement and reporting

**THOERY**

In this part ,I'd like to introduce some theoretical basis of portfolio management

Markowitz’s provided the foundation for modern portfolio theory (MPT). The main conclusion of MPT is that investors should not only hold portfolios but should also focus on how individual securities in the portfolios are related to one another.

And there are articles demonstrated the role that portfolios play in determining the appropriate individual asset risk premium (i.e., the return in excess of the risk-free return expected by investors as compensation for the asset’s risk).

According to capital market theory, the priced risk of an individual security is affected by holding it in a well-diversified portfolio.

**Utility-**

we can see from the chart on the left that：

All points on any one of the three curves have the same utility,which means an investor does not care whether he/ she is at Point a or Point b on indifference Curve 1.

Compare Point c with Point b. Point c has the same risk but significantly lower return than Point b, which means that the utility at Point c is less than the utility at Point b.

and the chart on the right represents the indifference curves for various types of Investors

**CAMP**

The early research provided the insight that an asset’s risk should be measured in relation to the remaining systematic or non-diversifiable risk, which should be the only risk that affects the asset’s price.

This view of risk is the basis of the capital asset pricing model,

The capital asset pricing model asserts that the expected returns of assets vary only by their systematic risk as measured by beta.

Two assets with the same beta will have the same expected return irrespective of the nature of those assets. Given the relationship between risk and return, all assets are defined only by their beta risk,.

**Share the information.**

**Normal people,nomal person -- 列一下thoery就可以了。**

**（1）**

**Thinking - 多讲（为什么会有这些问题，这些问题应该how to design templates）**

**2.1 数据集的问题**

**金融的data可以include into our datasets**

**可不可以找到一个通用的模版-减少我们的工作量（portfolio management-possibility）**

**新的任务，可以加那些？（除了portfolio management，其他的问题是否也会用到这些数据）**

**2.2 language model 是否可以直接应用到GPT上来**