

Extra – Extra Credit Assignment – Financial Planning in Relation to Risk Management and Insurance

Up to 10 extra credit points due no later than Friday, October, 21, 2016

Use the Investment Basis Information link to access the sample portfolio values and original cost of a set of securities that was owned on 1/31/2013. Using this information:

- (1) Determine the current value of each position as of a specific date [e.g. the day you do this assignment].
- (2) Aggregate your results to find the current value of this portfolio as of your current valuation date.
- (3) Calculate the rate of return on investment from holding this portfolio from 1/31/2013 up to your valuation date.
- (4) What are the implications of the rate of return result and concentration of positions within the portfolio? What would be a major concern if one were to sell a significant part of the portfolio to move towards diversification across sectors assuming that this portfolio is held in a stock trading account?