**Project Description**

Construct a portfolio of Stocks and Cash (Excel) using the following information:

1. Initial Capital $50,000 (Equity)
2. Obtain a loan (up to 50% Margin) for 7.0% interest per annum.
3. Starting Date (June 1, 2018) – Closing stock for that day
4. Value Date (December 3, 2018)
5. Maintain Diversification discipline\*
6. Always maintain at least 10% Cash at all times. Cash interest income at 1.5% per annum.
7. Trading stocks at least 5 times during this period (5 initial stock positions need to be replaced during this period)
8. Assume no trading costs or any additional expenses (except interest on the margin loan)

You Spreadsheet should include the following:

1. Initial Transaction Sources and Uses (June 1, 2018)
2. List of stocks (Symbols)
3. Business Description and Industry categorization for each stock
4. Monthly Cash Flow which will include any dividends, gains and losses on trades, interest payments, interest income of cash balance. Use the stock prices Jun 1, Jul 2, Aug 1, Sep 3, Oct 1, Nov 1, Dec 3 2018 (using closing price)
5. Overall monthly performance (including a graph)
6. S&P 500 Index on Jun 1, Jul 2, Aug 1, Sep 3, Oct 1, Nov 1, Dec 3 2018 (using closing price)

At Value Date calculate the following:

1. Total Portfolio HPR
2. Total Portfolio Standard Deviation of average returns.
3. Portfolio and Market Sharpe Ratios
4. Portfolio performance as compared (including a graph) to S&P500 index during this period – (Beta Coefficient calculation, Regression Analysis between portfolio and S&P500).

*Suggested website to use: http://finance.yahoo.com*

\*Diversification Discipline:

* + No less than 10 stocks in the portfolio at all times
  + Each stock value cannot represent more than 20% of the total portfolio.
  + Each industry value cannot represent more than 25% of the total portfolio
  + Across 8 different industry sectors and one of the industry sector should have at least 2 companies.