A PROJECT REPORT ON

"AN ANALYSIS ON EVALUATING PORTFOLIO AND MAKING INVESTMENT DECISION."

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of Bachelor in Commerce (Accounting and finance)

Under the Faculty of Commerce

By

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JNAN VIKAS MANDAL'S

Mohanlal Raichand Mehta College of Commerce

Diwali Maa College of Science

Amritlal Raichand Mehta College of Arts

Dr. R.T. Doshi College of Computer Science

NAAC Re-Accredited Grade 'A+' (CGPA : 3.31) (3rd Cycle)

Sector-19, Airoli, Navi Mumbai, Maharashtra 400708

FEBRUARY, 2024.

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CERTIFICATE

This is to certify that **MS. 'PRAGATI VIKRAM WAGH'** has worked and duly completed his Project work for the degree of Bachelor in Commerce (Accounting and Finance) under the Faculty of Commerce in the subject of **Management control** and his project is entitled, **"AN ANALYSIS ON EVALUATING PORTFOLIO AND MAKING INVESTMENT DECISION"**. Under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is his own work and fact reported by her personal finding and investigations.

Guiding Teacher,

ASST. PROF. DR. KISHOR CHAUHAN.

Date of submission:

DECLARATION

I the undersigned **MS. 'PRAGATI VIKRAM WAGH'** here by, declare that the work embodied in this project work titled "AN ANALYSIS ON EVALUATING PORTFOLIO AND MAKINGINVESTMENT DECISION.", forms my own contribution to the research work carried out by me under the guidance of **ASST. PROF. DR. KISHOR CHAUHAN** is a result of my own research work and has been previously submitted to any other University for any other Degree/ Diploma to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

(PRAGATI VIKRAM WAGH)

Certified by:

ASST. PROF. DR. KISHOR CHAUHAN.

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CHAPTER -1

INTRODUCTION

Portfolio management is the process of selecting and managing investments in way that aligns with an investor's goals risk tolerance, and time horizon. This involves a number of activities, including analysing the performance of individual securities, determining the appropriate asset allocation, and monitoring the portfolio to ensure that it continues to meet the investor's objectives.

Investors create portfolios for a variety of reasons, such as retirement planning, wealth preservation, income generation, and capital appreciation. The construction of a portfolio depends on the investor's goals, preference and investment philosophy.

The evaluation of a portfolio is an important part of portfolio management, as it allows investors to assess the effectiveness of their investments strategy and make necessary adjustments. This may involve analyzing the portfolio's performance, risk level, and asset allocation, and identifying opportunities for improvement.

Overall, a portfolio is a crucial tool for managing investments and achieving financial goals. By carefully selecting and managing investments, investors can build a diversified portfolio balance risk and returns, and provides a solid foundation for long-term financial success.

1.1 Meaning of portfolio

A portfolio is a collection of investments held by an individual, or a group, or an institution. These investments may include stocks, bonds, mutual funds, exchange-traded funds, real estate or other assets. The purpose of creating a portfolio is to diversify investments in order to reduce risk and increase the potential for returns.

1.2 Types of Portfolio

Active portfolio: An active portfolio is managed by an investment professional or team who makes investments decision based on market research and analysis. The goal of an active portfolio is to outperform the market and generate higher returns than a benchmark index.

Passive portfolio: A passive portfolio is designed to track a specific market index or benchmark, such as the S and P 500 or the Dow jones industrial average. The goal of a passive portfolio is to match the performance of the benchmark index, rather than trying to outperform it. Passive portfolios typically have lower fees and expenses than active portfolios, as they require less active management.

1.3 Objectives of portfolio.

1) Achieving long-term financial goals.

Achieving long term financial goals is a common objective of portfolio. A long term financial goal is one that an investor aims to achieve over a period of several years or even decades, such as retirement planning, saving for a child's education, or buying a house.
To achieve long term financial goals, an investors needs a well-structured and diversified portfolio that can generate returns over the long term while managing risk. The following are some key objectives of a portfolio that can help achieve long-term financial goals.

2) Manage liquidity needs

Managing liquidity needs is an important objectives when constructing an investment portfolio, and it refers to the ability of an investors to meet their short-term cash needs without having to sell long-term investments at a loss.

The objectives of managing liquidity needs in a portfolio is to ensure that the investors has enough readily available cash or cash equivalents to cover their immediate expenses and unexpected financial emergencies, without having to liquidate their long-term investments holdings. This helps to avoid the negative impact of selling long-term investments during market downturns, which can result in significant losses.

To manage liquidity needs in a portfolio, an investors may allocate a portion of their asset to short term, highly liquid investments such as cash, money market funds, or short term bonds. These investments typically have a low risk of loss and can be easily converted to cash when needed.

Overall, managing liquidity needs is an important part of portfolio construction and helps to ensure that investors are prepared for unexpected expenses or market downturns while still being able to achieve their long-term financial goals.

3) Assess risk tolerance

Assessing risk tolerance is an important objective when constructing an investment portfolio, and It refers to the degree of risk an investors is willing to take on in pursuit of their investments goals.

The objective of assessing risk tolerance in a portfolio is to help investors understand their personal tolerance for risk and to construct a portfolio that aligns with their individual risk preferences. This can help investors to achieve their financial goals while also managing their emotional reactions to market volatility.

To assess their risk tolerance, investors may consider factors such as their investments time horizon, financial goals, and overall financial situation. For example, investors with a longer time horizon and a greater ability to withstand short-term losses may have a higher risk tolerance, while those with s shorter time horizon or less financial stability may prefer a more conservative approach.

Overall, assessing risk tolerance is an important objective of portfolio construction as it can help investors to construct a portfolio that aligns with their personal preference and can increase the likelihood of achieving their financial goals over the long-term.

4) **Improve portfolio proficiency**

The objective of improving portfolio proficiency is to enhance an individual's ability to manage investment portfolios effectively. This involves developing a deeper understanding of financial markets and various investment options, assessing risk and return, and utilizing different financial instruments to meet investment goals.

Improving portfolio efficiency also involves developing analytical skills to evaluate and select investments options based on fundamental and technical analysis, market trends, and other relevant factors. By improving portfolio proficiency, individuals can identify and manage risks associated with different investment options and make informed investment decision that maximize returns while minimizing risks.

5) **Optimize resource allocation.**

The objective of portfolio optimization is to allocate resources in a way that maximizes the returns or benefits that can be obtained from a given set of investments or assets, while considering the associated risks and constrains.

Portfolio optimization involves identifying the optimal combination of assets or investments that can help investors achieve their specific investment goals. To achieve this, investors need to consider the expected return, risk, and correlation of each investment option in their portfolio. The goal is to selecta combination of assets that can provide the desired level of return while minimizing risk.

Overall, portfolio optimization helps investors make the most of their resources, while ensuring they achieve their investment goals in a way that is aligned with their risk tolerance and investment objectives.

6) Maximize returns

The objective of a portfolio that aims to maximize returns is to achieve the highest possible returns on a given set of investments, while considering the associated risks.

To maximize returns, an investors needs to consider several factors. These include: asset selection ,diversification, active management, risk management.

Maximize returns is not without its drawbacks, as it typically involves taking on higher levels of risk. It's important for investors to carefully consider their risk tolerance and investment goals when seeking to maximize returns. While higher returns can be attractive, they may not always be the best fit for an investor's needs.

7) Protect earnings from market risk.

The objective of protecting earning from market risk is to minimize the potential loss of earnings caused by market fluctuations or other external factors.

Market risk is the risk of financial loss resulting from changes in the market value of investments, such as stocks, bonds, or other financial instruments. It can be caused by various factors, including changes in interest rates, economic condition, geopolitical events, and other factors that affect market sentiment.

Overall, the objective of protecting earnings from market risk is to minimize the potential loss of earnings caused by market fluctuations or other external factors, while still achieving the desired returns on investments. By implementing strategies that manage market risk, investors can help protect their earnings and potentially achieve long-term financial success.

1.4 Portfolio strategies

Some of the frequently- used tactics and strategies by investors who invest in the stock market in India and globally, are mentioned below:

Active portfolio strategies- if you are an investors with a view to beating any benchmark of returns, you will think of an active strategy. A range of assumption and forecasts are used to find out what securities are reliable purchases. Thus, investors are active, making frequent trades moving wealth consistently for long- term gains. If you don't mind risks, this is a goal strategy.

Passive portfolio strategy- contrasting with active strategies, passive strategies monitor weighted indexes in the market. Believing in the way the market flows, investors believe that makes are efficient.

Aggressive portfolio strategy- As you may be able to tell by the name, these strategies are used by extreme risk takers. The aim of this strategy is to maximise profits by taking a lot if risks.

Defensive portfolio strategy- Conservative in their approach to investment, these strategies are employed by investors who are very careful when they invest in the stock market. They study trends in the market and do a strong technical analysis before formalising a portfolio. Such investors are averse to risk, but don’t mind a fairly good return on investment.

1.5 TYPES OF RISK

In investment portfolio management, there are several types of risk that investors may face. Here are some of the most common types of risk:

1. Market risk- Market risk, also known as systematic risk, refers to the risk of losses due to factors affecting the entire market, such as economic or political events, interest rates, or inflation.

2. Credit risk- Credit risk refers to the risk of losses due to the default or non- payment of debt instruments, such as bonds or loans, by issuers.

3. Liquidity risk- Liquidity risk is the risk of not being able to buy or sell an asset at a fair price in a timely manner, due to a lack of market participants or market disruption.

4. Inflation risk- Inflation risk is the risk that the value of an investments will be eroded by inflation, reducing the real purchasing power of the investments.

5. Currency risk- Currency risk refers to the risk of losses due to changes in foreign exchange rates. For example, if an investor holds assets denominated in a foreign currency and that currency depreciates, the value of the asset will decrease in their home currency.

6. Concentration risk- Concentration risk refers to the risk of losses due to high concentration of a single asset class in portfolio, increasing the vulnerability of the portfolio to adverse eventsin that asset or asset class

7. Reinvestment risk- Reinvestment risk is the risk of not being able to invest cash flows from an investment at a rate equal to or greater than the rate of the original investment.

The risk can affect a portfolio's returns and should be considered when constructing a portfolio to manage risk appropriately.

1.6 SEBI GUIDELINES FOR PORTFOLIO

SEBI has issued detailed guidelines for portfolio management services. The guidelines have been made to protect the interest of investors. The salient features of the guidelines are: The nature of portfolio management service shall be investment consultant. The portfolio manager shall not guarantee any return to his client's fund will be kept in a separate bank account. The portfolio manager shall act as trustee of client's funds. The portfolio manager can invest in money or capital market. Purchase and sale of securities will be at a prevailing market price.

A portfolio in securities market refers to basket of securities that a person has invested into. Securities this includes debt instruments, Mutual funds and even bank balance in addition to regular equities. The person designated to manage the portfolio is called portfolio manager. The portfolio manager advises, manager and administers the securities and funds on behalf of the entrusting client.

The server id offered by a portfolio manager under specific license from securities and exchange board of India. As per definition of SEBI portfolio means a collection of securities owned by an investors it represents the total holdings of securities belonging to any person. It comprises of different types of assets and securities. Portfolio management refers to the management or administration of a portfolio of securities to protect and enhance the value of the underlying investment. It is the management of various securities and

other asset to meet specified investment goals for the benefit of the investors. It helps to reduce risk without sacrificing returns. It involves proper investment decision with regards to what to buy and sell.

It involves proper money management. It also known as investment management. Portfolio management services called as PMS are the advisory services provided by corporate financial intermediaries. It enables investors to promote and protect their investments that help them to generate higher returns. It devotes sufficient time in reshuffling the investments on hand in line with the changing dynamics.

It provides the skill and expertise to steer through these complex, volatile and dynamic times. It is a choice of selecting and revising spectrum of securities to it with the characteristics of an investors. It prevents holding of stocks of depreciating value. It acts as a financial intermediary and is subject to regulatory control of SEBI under PMS, the client and the portfolio manager chart out specific needs of the client and the portfolio manager manages the portfolio in accordance with those needs. Sometimes the portfolio manager may also have separate ready schemes for the client to choose from. As a result of this customization, client, with his specific needs, benefits. The service level in the form of reporting transaction, holding statement etc. also are comparable or even better than that of mutual fund.

CHAPTER 2. OVERVIEW OF PORTFOLIO

2.1 BENEFITS OF PORTFOLIO

A portfolio is a collection of assets, such as stocks, bonds, mutual funds, and other investment vehicles. Here are some benefits of having portfolio:

1. Diversification- a portfolio allow you to diversify your investment across different asset classes, sectors, and regions, reducing the risk of losing money if one investment performs poorly.

2. Risk management- A portfolio can help you manage risk by spreading your investments across different types of assets with varying levels of risk.

3. Increased potential for returns: By investing in different assets, you increase your chance of earning a higher return on your investment.

4. Flexibility: A portfolio allow you to adjust investment based on your financial goals, risk tolerance, and market conditions.

5. Long term investment planning: A portfolio can help you for long term financial goals, such as retirement, by investing in a variety of assets that align with your investment timeline and risk tolerance.

6. Tax efficiency: a well- designed portfolio can help you minimize your tax liability by diversifying your investments across tax- efficient assets, such as municipal bonds or tax- deferred accounts.

Overall, a well-diversified portfolio can help you achieve your financial goals and provide a measure of stability in volatile markets.

2.2 SERVICES AND STRATEGIES

Portfolio services refers to the management, analysis, and administration of an investment portfolio. Portfolio strategies, on the other hand, refers to the methods used to construct and manage a portfolio to achieve the desired investment goals. Here are some common portfolio services and strategies:

Investment analysis: The service involves analysing various investment option to identify those that are suitable for a particular portfolio. This analysis considers factors such as the investment return potential, risk and correlation with other investments in the portfolio.

Asset allocation: Asset allocation is the process of dividing an investment portfolio among different asset classes, such as stocks, bonds, and cash, based on the investors risk tolerance, investment goals, and investment horizon.

Risk management: The service involves identifying and managing the risk associated with a portfolio. Risk management strategies may include diversification, hedging, and using various financial instruments such as options and futures .

Tax planning: This service involves managing a portfolio to minimize the tax liability of the investors. This may include investing in tax efficient instruments, such as municipal bonds or tax-deferred accounts.

Rebalancing: Rebalancing involves adjusting the portfolio asset allocation periodically to maintain the desired risk and return characteristics. This may involve selling overperforming ones.

Active management: active management is a portfolio strategy that involves making investment decisions based on market analysis and other factors to achieve superior returns compared to a benchmark.

Passive management: Passive management is a portfolio strategy that involves investing in a diversified portfolio of asset that track a market index or other benchmark, with the goal of achieving similar returns to the benchmark.

Overall, portfolio management services and strategies are designed to help investors achieve their investment goals while managing risk. A well- managed portfolio can help investors grow their wealth over time and achieve financial security.

2.3 GENERAL RESPONSIBILITIES.

The portfolio manager shall act in a fiduciary capacity with regard to the client's funds.

The portfolio manager shall transact the securities within the limitations placed by the client

The portfolio manager shall not borrow funds or securities on behalf of the client.

Portfolio manager shall ensure proper and timely handling of complaints from his clients and take appropriate action immediate.

The portfolio manager shall not lend securities held on behalf of clients to a third person expect as provided under this regulation.

2.4 CODE OF CONDUCT OF A PORTFOLIO MANAGER

Be fair in all dealings with clients and staff with higher standard of integrity.Deploy as soon as possible the money received by him from a client.

Render at all times high standards of services, exercise due diligence. Ensure proper care and exercise independent professional judgement. Avoid any conflict of interests in his investment or disinvestment decision. Ensure fair treatment to all his customers.

Provide unbiased service by disclosing all possible sources of conflict of duties and interest.

Not to place his interest above those of his clients.

Be fair in his approach and shall not utter any statement that will harm the interest of other portfolio manager

Not to make any exaggerated statement to the clients about his qualification of capacity

Obtain in writing from the client, his interest in various corporate bodies which would enable him to obtain unpublished price sensitive information of the body corporate.

Not to disclose to any client or the press, any confidential information about his clients which has come tohis knowledge.

Take adequate steps for the registration of transfer of client's securities and for claiming and receiving dividends, interest payments and other rights accruing to the clients.

Must take necessary action for the conversion of securities and subscription, renunciation of rights in accordance with the client's institution.

2.5 OBJECTIVES OF INVESTORS

Keep the security, safety of principal intact both in terms of money a swell as in purchasing power.

Stability of the flow of income so as to facilities planning more accurately and systematically there investment or consumption of income.

To attain capital growth by re- investing In growth securities or through purchase of growth securities. Marketability of the security which is essential for providing flexibility to the investment portfolio.

Liquidity i.e. nearness to the money which is desirable to the investors so as to take advantage of attractive opportunities upcoming in the market.

Diversification: The basic objectives of building a portfolio is to reduce risk of loss of capital and income by investing in various types of securities and over a wide range of industries.

Favourable tax status: the effectively yield an investors gets from his investments depends on tax to which itis subject.

Capital growth which can be attained by reinvesting in growth securities or through purchased of growth securities.

2.6 MANAGING PORTFOLIO

The most vital decision regarding investing that an investor can make involves the amount of risk he or she is willing to bear. Most investors will want to obtain the highest return for the lowest amount of possible risk. However, there tends to be a trade- off between risk and return, whereby larger returns are generally associated with larger risk. Thus, the most important issue for a portfolio manager to determine is the client's tolerance to risk.

This is not always easy to do as attitude towards risk are personal and sometimes difficult to articulate. The concept of risk can be difficult to define and to measure. Nonetheless, portfolio manager must take into consideration the riskiness of portfolios that are recommended or set up for clients.

The chapter assesses some of the constraint facing investors. An analysis of risk will be covered in the next chapter. Also, the main players in the money management business are reviewed. The investment institution manage and hold at least 50% of the bond and equity market in the countries such as the USA and the UK. Thus, these institution collectively can wield much influence over the money management industry, and potentially over stock and bond prices and even over company policies. The importance of one or another type of institutional money manager will vary from country to country.

Finally, this chapter describes the most important investment vehicles available to these players.

2.7 TYPES OF INVESTORS

Retail Investors: These are individual investors who invest small amounts of money in the stock market or other investment options. They may not have a lot of financial knowledge or experience, but they can still invest based on their own research or the advice of a financial advisor.

Institutional Investors: These are large organizations, such as mutual funds, pension funds, insurance companies, or banks, that invest large amounts of money on behalf of their clients or members. They have professional investment managers who conduct extensive research and analysis before making investment decisions.

Angel Investors: These are wealthy individuals who provide capital to startups or early-stage companies in exchange for equity ownership. They often have entrepreneurial or industry experience and can provide valuable guidance and connections to the companies they invest in.

Venture Capitalists: These are professional investors who provide funding to startups or early-stage companies that have the potential for high growth and returns. They typically invest large amounts of money in exchange for equity ownership and are involved in the company's management and decision-making processes.

Hedge Funds: These are private investment funds that use a variety of investment strategies to generate high returns for their investors. They typically have large minimum investment requirements and are only available to accredited investors.

Private Equity Firms: These are firms that invest in private companies, either by acquiring them outright orby providing capital for expansion or restructuring. They often take an active role in managing the companies they invest in and seek to improve their performance before selling them for a profit.

Sovereign Wealth Funds: These are investment funds owned by governments or central banks that invest in a variety of assets, such as stocks, bonds, real estate, and commodities. They often have long-term investment horizons and seek to generate returns to support their countries' economic development and growth.

Family Offices: These are private wealth management firms that manage the investments and finances of wealthy families. They provide a range of services, including investment management, tax planning, estate planning, and philanthropy, and often have a long-term investment horizon.

INSURANCE INVESTORS

Insurance investors are individuals or organizations that invest in insurance companies. These investors maybe interested in the financial performance of the insurance company, including metrics such as revenue, profits, and return on investment. They may also be interested in the company's underwriting practices, investment portfolio, and risk management strategies. Some insurance investors may focus on a specific type of insurance, such as life insurance or property and casualty insurance. Others may invest in insurance companies that operate in a particular region or market. When evaluating insurance companies as potential investments, investors may consider factors such as the company's market share, customer base, regulatory environment, and competitive landscape. They may also evaluate the company's management team and corporate governance practices.

Overall, insurance investors are typically focused on achieving a return on their investment and managing their risk exposure.

FUND MANAGEMENT COMPANIES

Fund management companies are companies that manage investment funds on behalf of individual and institutional investors. These companies may manage a variety of different types of funds, including mutual funds, exchange-traded funds (ETFs), and hedge funds.

Investors who are interested in investing in fund management companies may be interested in the company's track record of performance, the types of funds that the company manages, and the investment philosophy and strategies of the company. They may also be interested in the company's fees and expenses, as well as the quality of the company's management team and investment professionals.

When evaluating fund management companies as potential investments, investors may consider factors such as the company's assets under management, revenue growth, profit margins, and return on investment. They may also evaluate the company's competitive position in the industry and the regulatory environment in which it operates.

Overall, investors in fund management companies are typically looking for companies that can generate strong returns for their investors while managing risk effectively. They may also be interested in companies that are able to differentiate themselves from their competitors and demonstrate a sustainable competitive advantage

UNIT TRUSTS

What is a unit trust?

A unit trust is a type of investment fund where the money from many investors is pooled together and invested in a variety of assets such as stocks, bonds, and other securities. The investors own units in the trust, which represent a portion of the total assets.

What are the benefits of investing in a unit trust?

Investing in a unit trust can offer benefits such as diversification, professional management, liquidity, and accessibility to a wide range of markets and assets. They are also often more affordable than investing directly in individual stocks or bonds.

How do I choose a unit trust?

There are many factors to consider when choosing a unit trust, including the fund's investment objectives, past performance, fees and charges, and the fund manager's investment strategy and philosophy. It is important to research and compare different funds to find one that aligns with your investment goals and risk tolerance.

What are the risks involved in investing in a unit trust?

Unit trust investments carry some level of risk, and the value of your investment can go up or down depending on market fluctuations. It is important to understand the risks involved, including the potential for loss of capital, and to consider your investment horizon and risk tolerance before investing in a unit trust.

How do I invest in a unit trust?

Investing in a unit trust is typically done through a financial institution or a fund management company. You can usually invest in a unit trust online or through a financial advisor, and there may be minimum investment requirements and fees associated with investing in a unit trust.

CHAPTER 3

RISK AND RETURNS ANALYSIS ON PORTFOLIO

3.1 RISK AND RISK AVERSION

When it comes to portfolio management, risk refers to the potential for losses that an investor may experience when investing in financial instruments such as stocks, bonds, and other securities. Different types of investments carry varying levels of risk, and investors need to be aware of the risks involved in each investment they make.

Investors can manage risk in their portfolio by diversifying their investments across different asset classes, such as equities, fixed income, and cash. By diversifying, an investor can potentially reduce the overall risk of their portfolio, as different assets may behave differently under different market conditions.

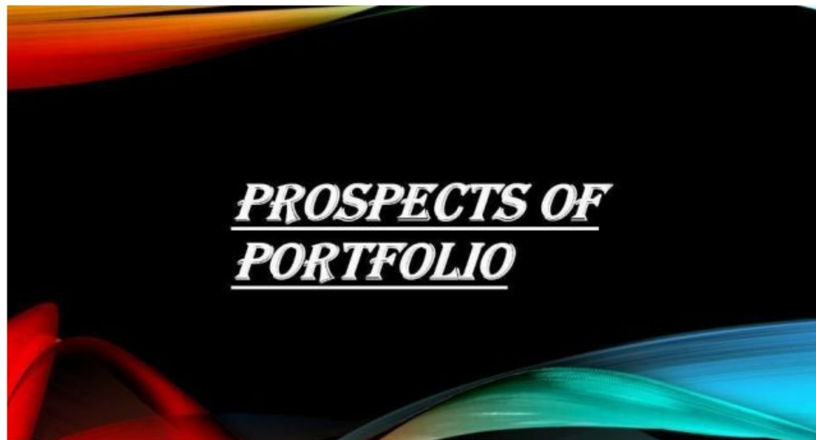
Risk Aversion in Portfolio Management:

Risk aversion is the tendency of investors to prefer lower-risk investments over higher-risk investments ,all else being equal. Risk aversion can vary among investors, depending on factors such as their investment objectives, investment horizon, and risk tolerance.

Investors who are more risk-averse may prefer to invest in low-risk assets, such as bonds or cash, while investors who are less risk-averse may be willing to invest in higher-risk assets such as stocks or alternative investments.

It is important to note that there is no one-size-fits-all approach to portfolio management, and investors need to determine their own risk tolerance and investment goals before making any investment decisions. A financial advisor can help investors assess their risk tolerance and create a portfolio that aligns with their investment objectives

3.2 PROSPECTS OF PORTFOLO



Prospects of a portfolio refer to its potential for growth and profitability over a certain period of time. It is important to gather information on various factors that can impact the prospects of a portfolio before investing. Here are some of the key information that can help evaluate the prospects of a portfolio:

Investment Objective: The investment objective of a portfolio is an important factor in determining its prospects. It is essential to understand the investment goals of the portfolio, such as capital appreciation ,income generation, or a combination of both.

Investment Strategies: The strategies used by the portfolio manager to achieve the investment objective can also impact the prospects of the portfolio. It is important to understand the portfolio manager's approach to investing, including asset allocation, diversification, risk management, and security selection.

Market Conditions: The state of the market can influence the prospects of a portfolio. It is important to gather information on current market conditions, including economic trends, interest rates, and geopolitical events, to evaluate the potential impact on the portfolio.

Individual Investments: The performance of individual investments within the portfolio can have a significant impact on its prospects. It is important to evaluate the individual investments within the portfolio, including their historical performance, financial health, and potential for future growth.

Fees and Expenses: The fees and expenses associated with investing in a portfolio can impact its prospects. It is important to gather information on the fees and expenses associated with the portfolio, including management fees, performance fees, and other expenses.

Historical Performance: Evaluating the historical performance of a portfolio can provide insight into its prospects. It is important to review the portfolio's historical returns, volatility, and other relevant metrics to understand its potential for growth and profitability.

Management: The portfolio manager or management team responsible for overseeing the portfolio can impact its prospects. It is important to evaluate the experience and qualifications of the portfolio manager or management team to determine their ability to achieve the investment objective.

Overall, gathering information on these key factors can help evaluate the prospects of a portfolio and make informed investment decisions. It is important to conduct thorough research and analysis before investing to understand the potential risks and rewards of a particular portfolio.

3.3 FUNCTIONS OF PORTFOLIO

A portfolio is a collection of financial assets such as stocks, bonds, mutual funds, and other investments that are held by an individual or an institution. The main functions of a portfolio are:

Diversification: One of the primary functions of a portfolio is to diversify the investor's risk. By investing in a variety of assets, the investor reduces the risk of losses in any one investment. This means that if one investment performs poorly, the overall impact on the portfolio is minimized.

Maximizing returns: Another function of a portfolio is to maximize returns. By investing in a range of assets with different risk and return profiles, the investor can potentially earn higher returns than by investing in just one asset. However, this also means that the portfolio may be exposed to more risk.

Income generation: Some investors use their portfolio to generate income. For example, they may invest in dividend-paying stocks, bonds, or other income-generating assets. This income can be used to supplement their regular income or to reinvest in the portfolio.

Liquidity: Investors may also use their portfolio to provide liquidity. This means that they can quickly sell assets if they need cash for unexpected expenses or to take advantage of investment opportunities.

Risk management: The portfolio can be used to manage risk by balancing the investment mix based on the investor's risk tolerance and investment goals. For example, an investor with a low risk tolerance may invest more in bonds and less in stocks, while an investor with a high risk tolerance may invest more in stocks and less in bonds.

Overall, the main function of a portfolio is to help investors achieve their investment goals while managing risk

3.4 RISK RETURN ANALYISIS

Risk return analysis is an important tool for investors to evaluate the performance of their portfolio. It involves analysing the relationship between the amount of risk taken and the returns generated by the portfolio. The following are the steps involved in conducting a risk return analysis on a portfolio:

Define the time period: The first step is to define the time period for which the analysis will be conducted. This could be a year, five years, ten years, or more.

Calculate the returns: Calculate the returns generated by the portfolio during the defined time period. This can be done by comparing the starting value of the portfolio to the ending value, including any dividends or other income received during the period.

Calculate the risk: Calculate the risk of the portfolio by using a standard deviation formula. This will give an idea of the volatility of the portfolio during the defined time period.

Plot the risk return relationship: Plot the risk-return relationship by using a scatter chart. This will help visualize the relationship between risk and returns.

Evaluate the portfolio: Evaluate the portfolio's risk-return relationship based on the investor's goals and risk tolerance. If the portfolio is generating high returns with low risk, it may be considered a successful portfolio. If the portfolio is generating low returns with high risk, it may be considered an unsuccessful portfolio.

Make changes to the portfolio: Based on the evaluation, the investor may decide to make changes to the portfolio. This could involve rebalancing the portfolio to reduce risk or increase returns, changing the asset allocation to better align with the investor's goals and risk tolerance.

In summary, risk return analysis is a crucial tool for evaluating the performance of a portfolio. By analysing the relationship between risk and returns, investors can make informed decisions to achieve their investment goals while

Overall, portfolio management can be a useful tool for investors, but it is important to weigh the potential advantages against the potential drawbacks before investing in a managed portfolio.

CHAPTER 4

RESEARCH AND METHODOLOGY

4.1 METHODOLOGY

The scientific research methodology of this paper is based on fundamental type of research, trying to make a review of main approaches, ideas and opinions of high rates specialist regarding the comparative study of portfolio management performance trying to identify the next key trends of the researched area.

4.2 OBJECTIVES

1) To study various portfolio management.
2) To get the knowledge of investment decision.
3) To know how different companies are managing their portfolio.
4) To get knowledge about the role and function of portfolio manager.
5) To know what the needs of appointing of portfolio manager is.
6) To learn making long term services in future with portfolio manager.
7) To aware of portfolio management.

SCOPE OF STUDY

Portfolio management is the process of managing a collection of investments, such as stocks, bonds, and other financial instruments, with the goal of achieving a specific set of investment objectives. The scope of portfolio management is broad and includes the following:

Investment Analysis: Conducting a detailed analysis of investments and evaluating their risk and return characteristics. This involves understanding the fundamentals of individual investments, such as company financials, industry trends, and macroeconomic factors.

Asset Allocation: Determining the appropriate mix of investments that will achieve the desired level of diversification while meeting the investor's risk and return objectives. This involves selecting investments from different asset classes, such as equities, fixed income, commodities, and alternative investments.

Performance Monitoring: Tracking the performance of the portfolio and making adjustments as needed to ensure that it continues to meet the investor's objectives. This involves measuring the portfolio's performance against benchmarks and evaluating the performance of individual investments.

Reporting: Providing regular reports to investors on the performance of their portfolios, including detailed information on holdings, performance, and risk.

Overall, the scope of portfolio management is to design and manage a portfolio that aligns with an investor's goals, risk tolerance, and investment time horizon. It involves making informed investment decisions, managing risks, and continuously monitoring and adjusting the portfolio to ensure it meets the investor's objectives

LIMITATIONS

While portfolio management can offer several Disadvantages, such as diversification and risk management, there are also some disadvantages that investors should be aware of. Here are some of the main disadvantages of portfolio management:

Costs: Portfolio management can be expensive, as investors may need to pay fees and commissions to investment professionals who manage their portfolios. Additionally, there may be costs associated with trading, research, and other investment-related expenses.

Market risk: Despite diversification efforts, portfolios are still subject to market risk, which can result in losses if the market experiences a downturn. This risk cannot be completely eliminated, as it is inherent in investing.

Lack of control: Investors who hire portfolio managers may have limited control over the investments in their portfolios, as the portfolio manager makes investment decisions on their behalf. This can lead to conflicts of interest, as portfolio managers may prioritize their own interests over those of their clients.

Potential for underperformance: While portfolio management aims to achieve positive returns, there is no guarantee that the portfolio will outperform the market or meet the investor's objectives. In some cases, poor investment decisions or market conditions can lead to underperformance.

Inefficiency: Portfolio management can be inefficient if the portfolio manager makes frequent trades or fails to align the portfolio with the investor's goals and objectives. This can result in unnecessary costs and poor performance.

SOURCES OF DATA

To meet the objectives of the study, primary data and secondary information were collected. Primary data was collected through a pre-designed, structure and non- disguised questionnaire included close- ended and open- ended question. Various statistical tools like percentage mean score, and rank score were applied for the analysis.

For this investigation, a qualitative research methodology was used. A qualitative study is defined as an inquiry process of understanding a social or human problem based on building a complex, holistic picture, formed with words, reporting detailed views of informants, and conducted in a natural setting.

HYPOTHESIS

Weak :- All past information like historical trading prices and volume data is reflected in the market prices. Semi-strong:- All publicly available information is reflected in the current market prices.

Strong:- All public and private information, inclusive of insider information, is reflected in market prices.

4.3 INVESTMENT BENEFITS BY PORTFOLIO MANAGEMENT

Portfolio management is a process of managing a collection of investments, with the aim of achieving a specific set of investment objectives. Here are some of the main benefits of portfolio management:

EARNING LONG- TERM RETURNS

It could help ride out the market bumps. It gives your money more time to potentially grow.

How do compound returns work?

It means less trading fees. It is easy to do. It could help to remove emotions from the equation. A long-term approach could prevail.

BUILDING WEALTH

Wealth can enable us to provide and share resource Emotional and financial with those we care about. When we help others get the education and opportunities they need to succeed, no matter how we choose to support them, we can share in the joy of their progress.

PLANNING FOR RETIREMENT.

Portfolio management can be a useful tool for planning for retirement because it helps individuals manage their investments in a way that balances risk and return. Retirement planning typically involves creating along-term strategy that accounts for a variety of factors, such as current financial situation, retirement goals, risk tolerance, and time horizon.

MEETING FINANCIAL GOALS

portfolio is a collection of different investments, such as stocks, bonds, and other assets, owned by an individual or an institution. well-diversified portfolio can help you achieve your financial goals by providing growth, income, and stability over the long term.

STAYING AHEAD OF INFLATION.

Inflation is the gradual increase in the prices of goods and services over time. This means that the purchasing power of your money decreases over time if it is not invested in a way that can keep up with inflation. A portfolio can help you stay ahead of inflation by providing returns that exceed the rate of inflation over time. portfolio can help you stay ahead of inflation by providing growth and diversification, as well as including investments that are designed to keep pace with rising prices. By investing in a well- diversified portfolio that is tailored to your financial goals and risk tolerance, you can help protect your money from the erosive effects of inflation over time

HAVING MULTIPLE INCOME STREAMS.

Having multiple income streams is an important financial goal for many individuals, and a portfolio can help you achieve this goal by providing multiple sources of income. Here are some ways a portfolio can help you create multiple income streams. It is important to keep in mind that some investments may be riskier than others and may require more research and monitoring, so it's important to work with a financial professional and to regularly review and adjust your portfolio as needed.

BUILDING SAVINGS.

Building savings is a critical financial goal for many individuals, and a portfolio can help you achieve this goal by providing a way to invest your money and grow your savings over time. A portfolio can be an effective way to build savings by providing the potential for compound returns, tax benefits, diversification, and a long-term focus on your financial goals.

CHAPTER 5

REVIEW OF LITERATURE

The extensive literature review was performed upon our literature search in the field of project management. Project portfolio management, and particularly project portfolio selection. The search engine of google scholar (http://scholar.google.com/) and the database search facilities were used to find relevant books these dissertations periodicals, scholarly and peer reviewed papers such as academy of management journal; journal of management Decision; Harvard Business Review; MIT Sloan management review; Academy of management review, International journal project management; etc., inthe database of universities, academic publishers, professionals societies, EBSCO, Emerald, Blackwell Synergy, JSTOR, and Science Direct. Besides, the handouts and teaching notes provided by professors during the whole MSPME course (Master of Science in Strategic Project Management- European) have also been referenced.

The extensive review of literature is aimed at improving our understanding of theoretical and practical concepts underpinning the process of project portfolio selection. During the literature review, eight main academic and practical areas pertinent to our research question have been identified, examined, and presented in the next sections:

Relevant definitions

Strategies for project portfolio selection

Decision making process supporting project portfolio selection. Constrained resources/

Theory of constrains (TOC) and project selection. Project categorization facilitating project

portfolio selection.

Project portfolio selection models or metho

ABSTRACT

This chapter will provide an in depth study of the literature on the project portfolio management. The study of the literature has been divided into several areas. Firstly, the difference between project, program and portfolio management is clarified. Furthermore, a distinct explanation of what project portfolio management is given. In addition, this chapter also focuses on the major components of project portfolio management as

processes, tools, governance and technique (methods). Levine (2005) states in the introduction of his book, “The emergency of PPM as a recognized set of practices may be considered the biggest leap in project management technology since the development of PERT and CPM in the late 1950s.” Project portfolio management is critical for decision making, governance, and to ensure that business objectives are supported by the right set of projects whereas project management is critical to ensure that budget, resource allocation, activity and work are accurate and delivered on time. It appears clear that project portfolio management differs significantly from management of individual projects and programs. The development of project portfolio management starts with projects and thus each framework will be discussed in the next two chapters.

2.1

Project Management According to PMI (2006, p.4) a project is a “temporary endeavour to create a unique product, service, or results and it lasts for a certain period of time” i.e., a project is unique and is of definite duration. Scope, Cost and Time are major elements; Quality is ultimately affected by the balance between these three elements. Projects can be seen as parts or “components” of the portfolio and hence it is important to understand the relationship between them. Highlighted by Levine (Levine, 2005, p.464) and described by Cohen et al., (2000) the project refers to three elements called triple constraints: Outcome, Cost and Schedule/Duration. The triple constraints provided criteria for evaluation options for project decision- making. Thus, the triple constraints solved problems for both the project manager and upper management.

Normally, if the feature does not satisfy the three criteria or if extensions are not granted, then it is rejected. The project management process begins with the initiation of a project, followed by planning, execution and control, and closing processes. The Figure 1 below illustrates this process: (PMI, 2000). Final Degree Project, Rasiha Delilbasic Project Portfolio Management 7 Figure 1: Project Management five processes Relaying on triple constraints caused project managers to chase after the wrong goal, satisfying constraints rather than satisfying the customer. Something is nevertheless delivered by the deadline, but it is not really what the customer wants. Consequently, lower customer acceptance leads to lower market sales and organization profit. Since something was delivered somewhere near the budget, the project was often considered a success, even if the project outcome was a failure. Obviously change was needed. Future project managers need a longer-term business orientation that takes into account project contribution to business results. That is why we have an extension of the project management discipline to portfolio management. The portfolio combines a) the organization's focus of ensuring that projects selected for investment meet the portfolio strategy b) the project management focus on delivering projects effectively and within their planned contribution to portfolio. Figure 2 below describes the different aspects concerning focus, scope, communication and organization between project portfolio management, program management

and project management. Figure 2: PPM, program and project management relationship model (Rajegopal etal., 2007, p.37)

2.2

Program Management According to PMI (2006, p.6),"a program is a group of related projects managed in a coordinated way to obtain benefits and control NOT available from managing them individually. Programs may include elements of related work outside of the scope of the discrete projects in the program. Some projects within a program can deliver useful incremental benefits to the organization before the program itself has completed." Final Degree Project, Rasiha Delilbasic Project Portfolio Management 8 Program management may provide a layer above the management of projects and focuses on selecting the best group of projects, defining them in terms of their objectives and providing an environment where projects can be run successfully. The key difference between a program and a project is the finite nature of a project - a project must always have a specific end date, else it is an ongoing program. There are two different views of how programs differ from projects. On one view, projects deliver outputs, discrete parcels or "chunks" of change; programs create outcomes .On this view, a project might deliver a new factory, hospital or IT system. By combining these projects with other deliverables and changes, their programs might deliver increased income from a new product, shorter waiting lists at the hospital or reduced operating costs due to improved technology. The second view is that a program is nothing more than either a large project or a set (or portfolio) of projects. On this view, the point of having a program is to exploit economies of scale and to reduce coordination costs and risks. The project manager's job is to ensure that their project succeeds. The program manager, on the other hand, may not care about individual projects, but is concerned with the aggregate result or end-state. (http://en.wikipedia.org/wiki/Program_management - cite_ note-2#cite_note-2)Projects are typically governed by a simple management structure. The project manager is responsible for day-to-day direction whereas a business executive and sponsor are accountable for ensuring that the deliverables align with business strategy. Programs require a more complex governing structure because they involve fundamental business change and expenditures with significant bottom-line impact. In fact, in some instances their outcomes determine whether the enterprise will survive as a viable commercial/ governmental entity. Programs as well as projects are parts or “components” of the portfolio. As a matter off act, the major components of a portfolio are projects and programs

2.3

Portfolio Project Management In the last forty-five years, the era of modern project management, the focus of project management was on successfully completing projects, delivering project content, and satisfying project stakeholders. A significant attention is paid to issues of schedule, resource use, cost, and quality.

While those of us in the project management discipline were joyful when we helped to achieve project management success, we were dismayed to learn that project success did not always equal business success. Levine gives the following descriptions of the above mention situation. Across the hall from PMO, senior operation personnel were often disconnected from the projects scene "Why", they Final Degree Project, Rasiha Delilbasic Project Portfolio Management 9 would ask, "are so many projects not contributing to the firm's bottom line? " Why," they would query, "are they critical with strategic objectives?" They searched to find the "value" in these projects. Across the hall in the PMO, they would ask, "What strategic objectives?" "Value?" "That is not in our purview. Is it not enough to bring the project in on schedule and within budgeting? How can we perform as well and still fail to produce the results that senior management demands?" (Levine, 2005). Levine continued by claiming that the schism was even greater than that. What about projects that do not make it to the end? Or the projects that do make it all the way through but deliver an unsuitable product? Finally, we have begun to question whether the projects should have been approved or continued past a point of limited value. So it is time to enter the era of postmodern project management, or what we now call project portfolio management (Levine, 2005). The challenges that these bring have been compounded by the drive toward shorter product life cycle, customer involvement, and increased scope and complexity of inter-organizational relationship. Due to these tremendous changes the nature of the organizational focus has been changing by moving focus from the project to a broader business context.

Thus, there is a clear difference between project- and business- oriented people within these organizations. We are not only looking for projects that are managed well but also for projects that are right for the firm. Project portfolio management should form a partnership between the project-oriented people and the business-oriented people, represented by the governance council. The project-oriented people are focused on budget, time and deliveries that are still important and a gauge of project health but they do not always reflect the project's true impact on the business. The business-oriented people are focused on the terms

that reflect how the project is contributing to the larger set of objectives of the enterprise. How is the project contributing to growth, competitive advantage, revenue and cash flow, effective use of all resources, and key strategic initiatives? The focus is more on benefits, revenue, and return on investment than on costs. The project end date may not be as important as the window of opportunity.

2.3.1

What is Project Portfolio Management? According to PMI (2006) "The PPM is the management of collection of projects and programs in which a company invests to implement its strategy in order to maximize value." Cooper et.al. (1997) defines project portfolio management "A dynamic process, whereby a business's list of active new product (and R&D) projects is constantly updated and revised. In this process, new projects are evaluated, selected and prioritized; existing projects may be accelerated, killed or de- prioritized; and resources are allocated and reallocated to the active projects." (Cooper et.al., 1997, p.17) Final Degree Project, Rasiha Delilbasic Project Portfolio Management 10 Cooper et.al. (2001, p.27) states that portfolio management is used to select a portfolio of new product development projects to achieve the following goals: • Maximize the value of the portfolio; • Seek the right balance of projects, thus achieving a balanced portfolio; • Create a strong link to strategy , thus: the need to build strategy into the portfolio; All components (projects, programs) of a portfolio exhibit certain common features (PMI, 2006, p.5): • They represent investments made or planned by the organization; • They are aligned with the organization's strategic goals and objectives; • They typically have some distinguishing features that permit the organization to group them for more effective management; • The components of a portfolio are quantifiable; that is, they can be measured, ranked and prioritized; The authors, in the PMBOK, depict the project management context as follows: "Project management exists in a broader context that includes program management, portfolio management and project management office. Frequently, there is a hierarchy of strategic plan, portfolio, program, project and subproject, in which a program consisting of several associated projects will contribute to the achievement of a strategic plan." The important factor to take from this extract is the recognition of a hierarchy linking strategy to projects. Figure 3 illustrates the hierarchical linkage.

Glied man (2002) discusses the various components of PfM and shows how available tools meet the needs of the portfolio manager. In a later paper, Gliedman (Gliedman & Brown, 2004) lays out the basic concepts and definition of PfM, and its relationship to other management processes. He defines a portfolio as consisting of current, new, externally mandated and infrastructure initiatives.

Contributions to the body of knowledge of PfM have been made by authors such as Leliveld and Jeffery, 2003; Kersten and Verhoef, 2003; Pennypacker, 2005; Maizlish and Handler, 2005; Bonham, 2005; Turbit,
2005; Levine, 2005; D'Amico, 2005; Martinsuo and Lehtonen, 2007; Blichfeldt and Eskerod, 2008; Glickman, 2008; Montibeller, Franco, Lord, and Iglesias, 2009; Laslo, 2009; Freitas, De Souza, and DeAlmeida, 2009; and several others.

Levine (2005), Maizlish and Handler (2005) and Kalin (2006) have recognized that while the concept and promise of PfM are generally accepted, there remains a gap in the complete understanding of PfM and its components. This suggests that there might be a gap between what literature suggests and what is being practiced.

CHAPTER 6

REVIEW THE DECISION-MAKING PROCESS

The decision-making process in portfolio management involves several steps to ensure that the portfolio aligns with the investor's investment objectives, risk tolerance, and market conditions. Here's a review of the decision-making process in portfolio management:

Defining investment goals: The first step is to define investment goals that are specific, measurable, achievable, relevant, and time-bound. This step helps investors to understand their investment objectives, such as generating income or achieving long-term growth.

Assessing risk tolerance: Investors should assess their risk tolerance, which is their willingness and ability to take risks. The risk tolerance of an investor determines the type of investments that they should include in their portfolio, such as high-risk, high-return investments or low-risk, low-return investments.

Evaluating market conditions: Investors should evaluate market conditions to understand the performance of various asset classes and sectors. This step helps investors to identify opportunities and risks in the market and to make informed investment decisions.

Diversification: Diversification is a crucial step in portfolio management that involves investing in different asset classes, sectors, and geographies. This step helps investors to minimize risks and maximize returns.

Setting investment limits: Investors should set investment limits for each asset class, sector, and individual investment. This step helps investors to maintain a balanced portfolio and avoid overexposure to any single asset class.

Monitoring and reviewing the portfolio: Investors should continuously monitor and review their portfolio to ensure that it remains aligned with their investment goals and risk tolerance. This step helps investors to make timely adjustments to their portfolio and to take advantage of new opportunities or mitigate risks.

In conclusion, the decision-making process in portfolio management involves a thorough understanding of the investor's investment objectives, risk tolerance, and market conditions. By following a systematic approach and regularly reviewing the portfolio, investors can make informed investment decisions and achieve their long-term investment objectives.

STEPS FOR MAKING INVESTMENT DECISION.

Making investment decisions in a portfolio involves a systematic process that considers various factors such as risk tolerance, investment goals, and market conditions. Here are some general steps to consider when making investment decisions in a portfolio:

Determine your investment goals: Start by defining your investment objectives, which could be long-term growth, income, or a combination of both.

Assess your risk tolerance: Consider your risk tolerance and investment horizon. If you have a long-term investment horizon and a high tolerance for risk, you may be comfortable investing in high-risk assets such as stocks. If you have a short-term investment horizon or a low tolerance for risk, you may prefer investing in lower-risk assets such as bonds.

Evaluate the market conditions: Evaluate the market conditions and the performance of different asset classes. This will help you to identify the sectors that are performing well and those that are lagging.

Diversify your portfolio: Diversify your portfolio by investing in a mix of asset classes, such as stocks, bonds, real estate, and commodities. This will help you to spread your risk and maximize your returns.

Set investment limits: Set investment limits for each asset class, sector, and individual investment. This will help you to maintain a balanced portfolio and avoid overexposure to any single asset class.

Monitor and review: Continuously monitor and review your portfolio to ensure that it remains aligned with your investment goals and risk tolerance. Adjust as needed to maintain a diversified and balanced portfolio.

Overall, making investment decisions in a portfolio requires a thorough understanding of your investment goals, risk tolerance, and market conditions. By following a systematic approach and regularly reviewing your portfolio, you can make informed investment decisions and achieve your long-term investment objectives

CHAPTER-7

DEVELOP PLAN FOR IMPROVEMENT.

Developing a plan for improvement in portfolio management involves several steps to optimize the portfolio's performance and achieve the investor's investment objectives. Here is a plan for improvement in portfolio management:

Re-evaluate investment goals: The first step is to re-evaluate the investment goals to ensure that they are still relevant and achievable. If the investment goals have changed, the portfolio should be adjusted accordingly.

Analyse portfolio performance: Analyse the portfolio's performance to identify areas of improvement. Evaluate the performance of individual investments and asset classes to determine which investments are performing well and which ones need to be adjusted or removed.

Rebalance portfolio: Rebalancing the portfolio involves adjusting the portfolio's asset allocation to maintain a diversified portfolio and achieve the investor's investment goals. Determine the optimal allocation of investments based on the investor's risk tolerance, investment goals, and market conditions.

Consider tax implications: Consider the tax implications of portfolio adjustments. For example, selling a profitable investment may result in capital gains tax, which can reduce the portfolio's overall return.
Consult with a tax advisor to minimize tax implications.

Consider cost efficiency: Consider the cost efficiency of the portfolio, such as management fees, transaction costs, and other expenses. Minimizing costs can improve the portfolio’s performance, maximize the investor’s return Monitor, and adjust the portfolio: Continuously monitor and adjust the portfolio to maintain a balanced and diversified portfolio. Regularly review the portfolio's performance and adjust as needed based on the investor's investment objectives and risk tolerance.

In conclusion, developing a plan for improvement in portfolio management involves analysing the portfolio's performance, rebalancing the portfolio, considering tax implications and cost efficiency, and continuously monitoring and adjusting the portfolio. By following this plan, investors can optimize their portfolio's performance and achieve their investment objectives.

CRITERIA FOR INVESTMENT DECISIONS.

There are several criteria for investment decisions in a portfolio, which include:

Investment goals: Investment decisions should be aligned with the investor's investment goals, which could be long-term growth, income generation, or a combination of both.

Risk tolerance: Investment decisions should take into account the investor's risk tolerance, which is the level of risk that the investor is willing and able to accept. The risk tolerance of an investor determines the type of investments that should be included in the portfolio.

Market conditions: Investment decisions should be based on market conditions, which could be influenced by economic indicators, geopolitical events, and industry-specific factors. The portfolio should be adjusted based on market conditions to take advantage of opportunities and mitigate risks.

Asset allocation: Investment decisions should consider asset allocation, which involves investing in a mix of asset classes such as stocks, bonds, real estate, and commodities. Asset allocation helps to diversify the portfolio and minimize risks.

Investment horizon: Investment decisions should consider the investment horizon, which is the length of time that the investor plans to hold the investment. Investments with a longer investment horizon may be more suitable for long-term growth, while investments with a shorter investment horizon may be more suitable for income generation.

Investment performance: Investment decisions should consider the performance of individual investments and the overall performance of the portfolio. Investments that consistently underperform should be considered for removal from the portfolio.

Liquidity: Investment decisions should consider liquidity, which is the ease of buying or selling an investment. Investments that are illiquid may be more difficult to sell, which can affect the portfolio's performance.

In conclusion, investment decisions in a portfolio should consider investment goals, risk tolerance, market conditions, asset allocation, investment horizon, investment performance, and liquidity. By considering these criteria, investors can make informed investment decisions and achieve their investment objectives.

TECHNICIAL ANALYISIS ON PORTFOLIO.

Technical analysis is a method of analysing securities by examining statistical trends and past market data. It can be used in portfolio management to help identify potential investment opportunities and risks. Here are some key points to consider when conducting technical analysis on a portfolio:

Identify trends: Technical analysis involves identifying trends in market data, such as price movements or trading volumes. Analysing trends in the portfolio's individual investments and asset classes can help identify potential investment opportunities or risks.

Use technical indicators: Technical analysis uses technical indicators, such as moving averages, relative strength index (RSI), and Bollinger bands, to identify potential buying or selling opportunities. These indicators can help determine when an investment is overbought or oversold.

Analyse support and resistance levels: Support and resistance levels are price levels where there is a significant amount of buying or selling pressure. Analysing these levels can help identify potential buying or selling opportunities.

Evaluate trading volume: Trading volume is the number of shares or contracts traded during a specific period. Analysing trading volume can help identify changes in investor sentiment and potential investment opportunities.

Consider market conditions: Technical analysis should consider current market conditions, such as economic indicators, industry-specific factors, and geopolitical events. These factors can impact the performance of the portfolio and individual investments.

Continuously monitor and adjust the portfolio: Technical analysis should be used to continuously monitor and adjust the portfolio to maintain a balanced and diversified portfolio. Regularly reviewing the portfolio's performance and adjusting as needed can help maximize returns and minimize risks.

BAR CHARTS

One of the basic tools of technical analysis is the bar chart, where the open, close, high, and low prices of stocks or other financial instruments are embedded in bars, plotted as a series of prices over a specific time period. Bar charts are often called OHLC charts (open-high-low- close charts) to distinguish these charts from more traditional bar charts used to depict other types of data. Bar charts allows traders to see patterns more easily. In other words, each bar is actually just a set of 4 prices for a given day, or some other time period, connected by a bar in a specific way — called a price bar.

A price bar shows the opening price of the financial instrument, which is the price at the beginning of the time period, as a left horizontal line, and the closing price, which is the last price for the period, as a right horizontal line. These horizontal lines are also called tick marks. The high price is represented by the top of the bar and the low price is depicted by the bottom of the bar.

If the price bar is a daily price bar of a stock, then the opening and closing prices are the prices of the stock at the open of the market and at the close of the market, respectively. Similarly, the high price is the highest price traded during the day, while the low price is the lowest price of the day.

BAR PATTERN.

Bar chart analysis is more useful when the bars over a time period are viewed, allowing patterns to be discerned that may forecast future prices with varying degrees of success. The simplest comparison is between 2 consecutive bars. An up-day is when the close is higher than the day before. A down-day is when the close is lower. The closing price is generally considered the most important price, because traders have reacted to the news for the day. But sometimes the close is down, not because of negative news, but because many traders sell on close to avoid any price declines due to bad news overnight.

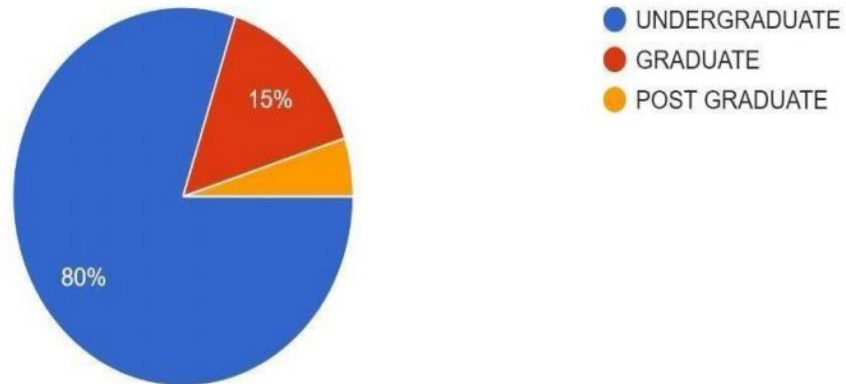
Higher closes generally implies a bullish market sentiment whereas lower closes indicates bearish market sentiment. An uptrend is a series of up-days where the highs are mostly higher than the day before and the lows are also higher. Both the higher lows and the higher closes (up-day) confirm the uptrend. A downtrend is the opposite pattern, where highs, lows, and closes are usually lower on successive down-days.

CHAPTER 8

DATA ANALYSIS AND INTERPRETATI

YOUR HIGHEST QUALIICATION

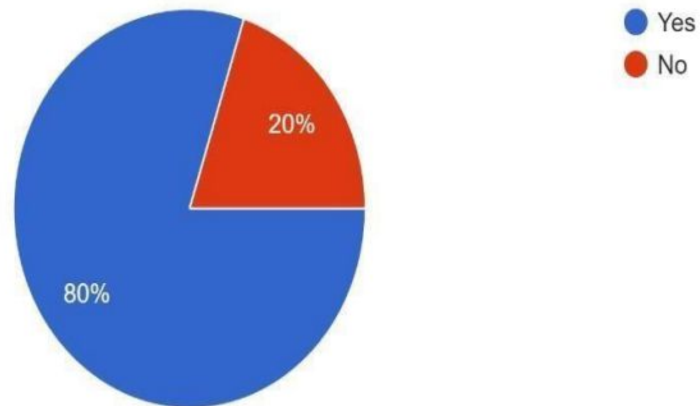
20 responses



INTERPRETATION

This shows that

1. 80% of people are undergraduate.
2. 15% of people are graduate.
3. Remaining are post graduate.

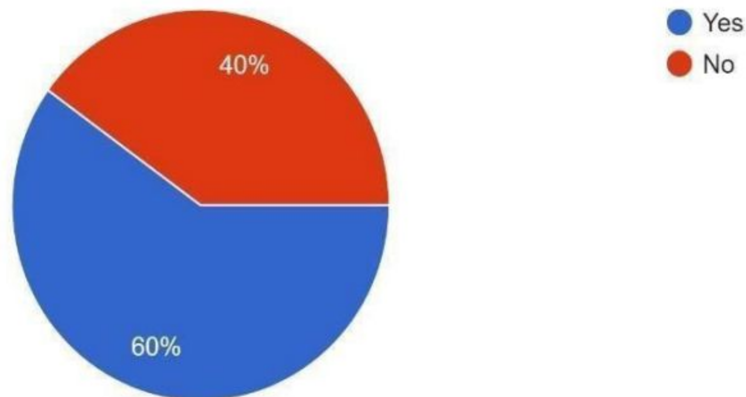


INTERPRETATION

By studying we understood that 80% of people know about portfolio platform. Whereas, 20% are unknown about portfolio platform.

Are you aware of the services provided by portfolio manager?

20 responses



INTERPRETATION

As we can see 60% of people are aware about services provided by portfolio manager. Whereas, 40% of people are unaware about services provided by portfolio manager.

what type of services are you aware of?

20 responses

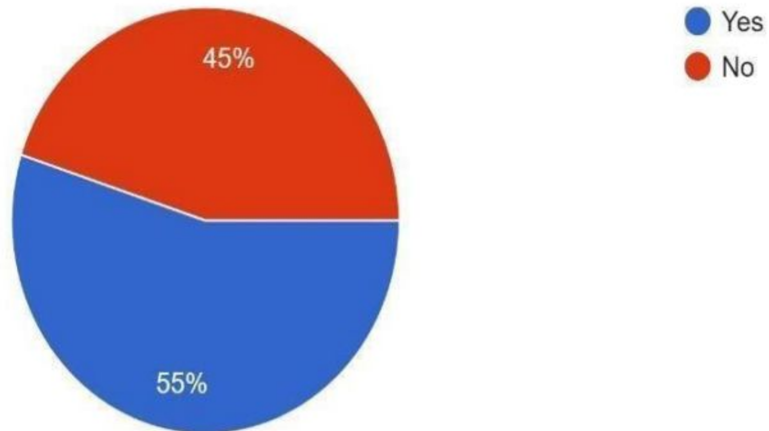
INTERPRETATION

The survey shows us that

1. 35% of people are know about equity funds
2. 15% of people are know about money market instruments.
3. 50% of people are know about mutual fund investments.

You tried any type of investment yet?

20 responses



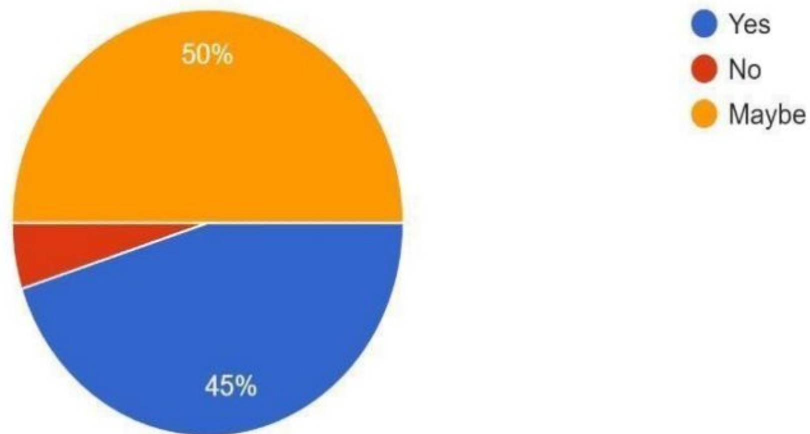
INTERPRETATION

This show that,

55% of people have tried any type of investment and other 45% of didn’t.

Would you want to hire a portfolio manager at present or in future

20 responses

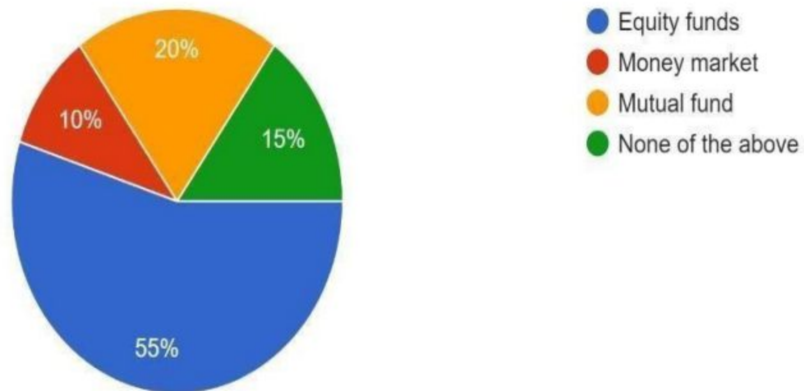


INTERPRETATION

The survey shows that,

45% of people wants to hire portfolio manager in their present or in future.

50% of people are not sure about hiring portfolio manager in future or in their present. Others are not interested in hiring a portfolio manager in their future or in future.

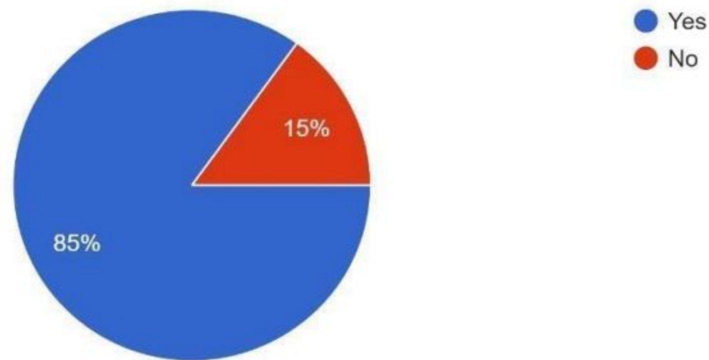


INTERPRETATION

Response are showing that 55% of people wants to hire portfolio in the equity funds type of service.10% people wants to hire portfolio manager for money market type of service. 20% people wants to hire portfolio manager for mutual fund type of service. Remaining 15% are not interested in any type of service.

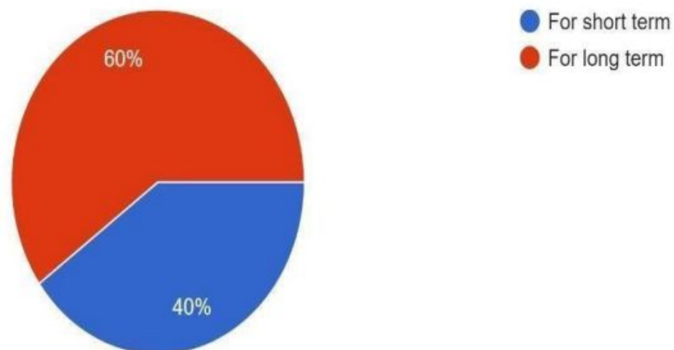
Do u you think there will be growth in portfolio management in future?

20 responses



INTERPRETATION

85% People think there is growth in portfolio management in future also 15% are saying there is no growth in portfolio management in future.

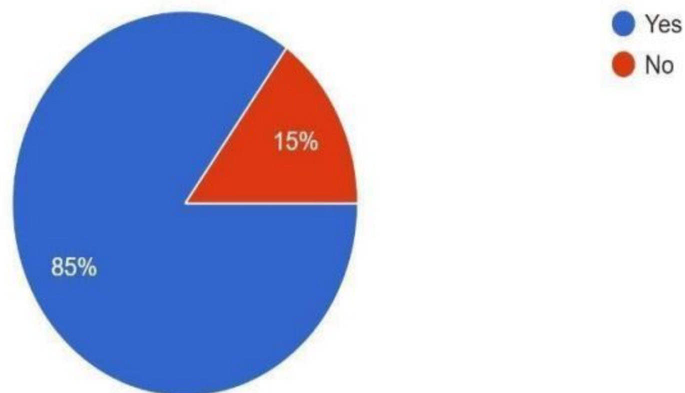


INTERPRETATION

40% of people want service from portfolio manager for short term.60% of people want service from portfolio manager for long term.

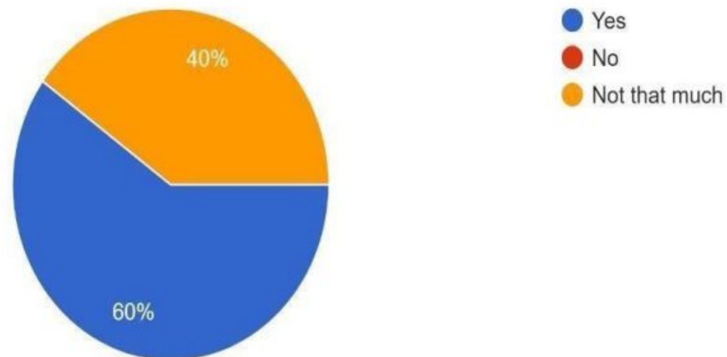
Do you think portfolio management is beneficial for investment purpose?

20 responses



INTERPRETATION

85% of people think that portfolio management is beneficial for investment purpose.15% of people think portfolio management is not beneficial for investment purpose.



INTERPRETATION

60% of people think investment in portfolio management is risky.

40% of people think investment in portfolio management is not that much risky.

CHAPTER 9

FINDINGS

More than 50% of organizations say their projects and resources are not well aligned with business goals.

In project management, there's one truism that can't be overstated: The purpose and goal of projects should not be focused on activities, but the outcome. The successful execution or completion of projects and initiatives is no longer enough; the focus must be on the project outcome--which translates to the business impact of your project. Initiatives must create value for the organization, which means projects must be aligned with business goals. Given the importance of alignment to corporate goals, it's surprising that so many organizations continue to struggle in this area. Resourcing is the top challenge for most organizations.

While resourcing is less of a challenge than in 2014. It remains the top challenge for organizations heading into 2015. It represents an age-old struggle that every PMO is familiar with: Every organization has more project demand than it can handle.

This usually comes down to limited resource availability or capacity--and limited hiring budgets, Interestingly, prioritization has become a greater challenge, year over year. now becoming the No. 2 challenge facing organizations. Rounding out the top three is alignment (as described above), which shows that project and portfolio manage merit teams are placing an increased emphasis on improving up-front planning to create more value for their key stakeholders (yet not always achieving the alignment they seek).

More than 60% of organizations do not have enough resources to manage project demand. With resourcing being organizations' top pain point for the past two years, it's no surprise that two-thirds of organizations still struggle with finding enough resources to meet organizational needs. This points to the necessity of focusing on optimizing available resources to ensure maximum value delivery back to the organization.

This forces PMOs to ask a tough question: "Are our resources working on the right projects at the right time? If the answer isn't a resounding "yes", then there's likely room for improvement with project prioritization and resource scheduling. New technologies that integrate predictive analytics technology can help ensure your resources are optimized, both on current projects and looking into future potential "what if scenarios.

Nearly 50% of organizations utilize scoring based on business objectives to align and prioritize projects.

In a trend that is largely unchanged from 2014. scoring remains the most popular method for prioritizing and aligning projects among organizations who have a formal methodology.

There's a reason it's so popular: Scoring is an efficient way to start using a simple prioritization method, and it works in almost any organization. That's because scoring can be customized to fit your specific organizational needs and culture: criteria can be as simple or complex as desired. For example, organizations can start with a simple 0 to 10 score for incoming project demand. As acceptance and adoption increases, scoring criteria can become more complex to include weighting or aggregating a pool of scores across team members and key stakeholders. The key is to build consensus on the criteria.

and build from there. 45% of organizations are investing in a project portfolio management (PPM) solution. With many of the project management challenges being similar across the board:

Alignment, resourcing, forecasting and prioritization--it's easy to see why so many organizations are turning to new tools to manage the increasingly complex demands of project management. These new solutions speed the process of project portfolio measurement, management. reporting and communication. Project portfolio management (PPM) software is designed to streamline project management and strategically define a system for resource optimization. With a portfolio management solution in place, organizations are better equipped to execute on their initiatives. achieve desired results and ultimately drive more value.

CHAPTER 10

SUGGESTION

2017 is shaping up to be both a continuation of the secular bull market as well as a year of changing market leadership. This has taken place absent any significant market volatility, leading some to question when volatility may rear its ugly head again. The June 2017 S&P DJI Commentary noted that at the mid-way point of the year. U.S. equity volatility year-to-date is at the lowest level it has been for half a century.

I do not believe that this trend will continue through the summer months and would not be surprised to see a short-term, shallow pullback at some point. I view this type of pullback as constructive, however, as improving global economic fundamentals seem to support more stock market upside potential over the short-intermediate term. As a result, investors would be wise to build, or maintain, balanced and diversified portfolios consistent with their own financial objectives, tolerance for risk and investment timeframes while resisting the temptation to make investment decisions based upon short-term market movements or potential fiscal policy changes. With all of these themes in mind. I suggest the following portfolio management ideas for careful and thoughtful consideration.

Consider current valuations but don't assume prices can't move higher Certain areas of the market may seem overvalued, or undervalued, based upon traditional valuation measures. While these measures should not be ignored completely. they also should not be the sole determinant of an investment decision. In this regard, it may be helpful to appreciate that a high current relative valuation does not necessarily mean that area of the market can't move higher just as a low current relative valuation does not necessarily mean that area of the market can't move lower.

Help brace your portfolio for short-term bouts of volatility. While I believe there is still more room for this current secular bull market cycle to run. particularly overseas. I don't dismiss the potential for short-term bouts of market volatility. According to the July 2017 S&P Dow Jones Indices Risk & Volatility Dashboard,

the VIX recorded a 23-year low of 9.51 on July 14. Further, the S&P 500 has not experienced a 5% decline for over a year and closed at another all-time high on July 19. Own a strong dividend paying company in every market sector. Dividends, and the potential for growth in a stock, are hard to beat. You get paid every quarter, and you get the possibility of price appreciation over time. Every sector in the market has strong companies with a history of paying and increasing dividends. These companies are often held as core positions- owned over long periods of time as they have proved themselves to be stable dividend payers with steady (but probably not spectacular) growth. These are companies: in some cases, to grow old with.

CHAPTER 11

CONCLUSION

Portfolio management for the discovery, project, and asset portfolios categorizes investments in each of three phases of the IT life cycle, enabling decision makers to objectively inventory, evaluate. balance, analyse, align, and optimize investments according to defined criteria and scoring. For each portfolio there are processes for inventorying, analysing, planning, tracking, and reviewing investments. There is no one- size-fits-all approach to IT portfolio management-the definitions of business and strategic objectives, value, risk, benefit, core dependencies, and priorities differ by company and by industry.

Portfolio management is believed to be the leading strategy in the success of the modern companies. Adopting these strategies as discussed above enables the company to provide confidence to stakeholders (shareholders, customers. employees, and suppliers). Additionally. embracing technology helps the company to lower down the cost of running the projects as well as improving reducing the payback period. In an effort to improve portfolio management, the company should embrace a culture of promoting the management of the portfolio by ensuring that the process is deeply rooted throughout the company. This involves workers across departments, they should be supportive in all aspect by way of communicating and investing their knowledge and skills in companies project undertakings. Most importantly, the management should set aside enough resources for the project management. -Dedicating enough resources means getting effective solutions, additionally, the company must invest in training the professionals who participates directly in portfolio management to ensure the company is heading towards achieving its objectives. The management should be aware of the challenges that face the project management in order to avoid derailment of the project's development. Among them include, adopting poor tools and in-effective technology, in adequate knowledge and understanding.

Another most common factor that bars project development is failure to agree or set good pace of projectadoption by the managers. Therefore, it is important for the managers to agree on the most suitable time frame and pace of project development.

We covered a number of steps to implement a functional and a sustainable PPM process. Though the approach to implementation may differ based on the size of the organization or the number and/or types of projects in the portfolio. the process fundamentally remains the same: That is, the process has to be designed, appropriate stakeholders have to be engaged, and the process matured by taking a number of baby steps and through a lot of consensus building. At the end of the day. numbers will tell the story of a successful implementation: but it's not to be forgotten that the process supporting those numbers are defined and followed by people. The virtues required for a successful implementation are well known patience and persistence.

CHAPTER 12

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